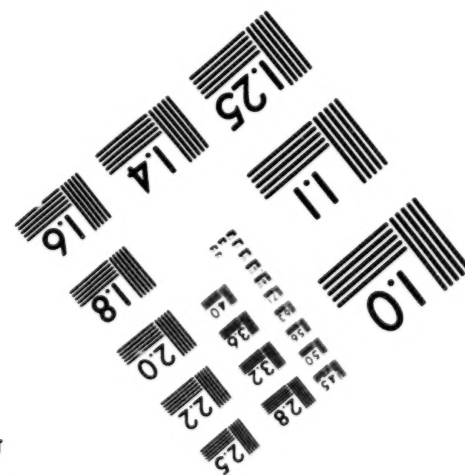
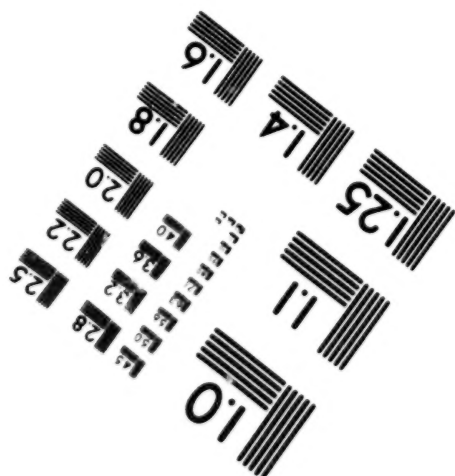
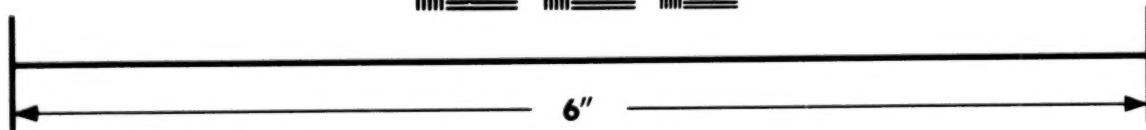
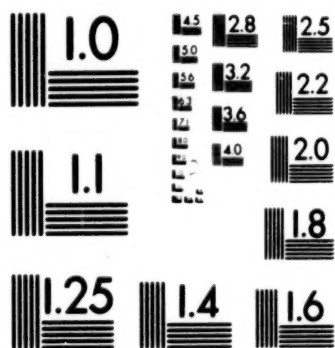


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5 August 1983

Latin America Report

No. 2718

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5 August 1983

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No. 2718

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REPORTAGE ON STATUS OF MAJOR HYDROELECTRIC PROJECTS

Bronstein on Yacyreta's Importance

Buenos Aires MERCADO in Spanish 30 Jun 83 pp 18-20, 22, 24

[Interview with former hydraulic and thermal energy undersecretary, engineer Bernardo Bronstein, by Edgardo Silveti; date and place not specified]

[Text] MERCADO: Every time Yacyreta is in the news conflicting comments appear, from those who claim that it must be built and that the timetable must even be hastened in order to finish it a year ahead of schedule to the other extreme, the view of those who maintain that it is really foolish to build a project which, because of its size, would become another white elephant for the country. As a technician with vast experience in the field, what is your opinion?

Bronstein: I have read carefully many press comments on this subject, which is highly controversial, as you have noted; but I have found nothing but emotional arguments, both to justify the project and to discredit it. In order to make a rational analysis of the matter, one must start with two essential items of information, namely, the size of the plant, in other words, the country's installed capacity at present, and the demand for electric power. This information must be supplemented by projections on what that installed power and energy demand will be in the future, based on the program for construction of other powerplants, whether they be hydraulic, such as Piedra del Aguila, thermal, such as Segba's number 7 machine, or nuclear, such as Atucha II. If this picture is not drawn, my opinion would be as sentimental and lacking in a rational basis as the others.

MERCADO: Fine, but let's agree that you will have to explain whether the projections have a somewhat optimistic leaning, or whether the calculations are, rather, conservative or pessimistic; and whether there is room for hastening the projects a year to make up for lost time.

Bronstein: Those who talk gratuitously about hastening a structure of this size, which will be the largest construction project of the decade and will regulate the country's most important river, don't know what they are talking about. I don't agree with the approach of mentioning optimistic or pessimistic projections. There are some who believe that it is more patriotic to exaggerate estimates and to build structures larger than what is fitting, at greater cost, simply because, they argue, it is a political decision; but it has been my experience that, when

only political arguments are put forth to promote a project, it means that there is no technical, economic and financial justification. I am also convinced that a project that has proper technical, economic and financial calculation can hardly be built without political backing. And what I am totally certain of is that the political and the technical-economic decisions cannot be single; both must be behind a project in order to make it materialize. An excessive plant could mean a very high cost for the entire community, whereas an overly conservative calculation could detract profitability and economic returns from a project. One must be cautious, because a decline in energy consumption is occurring in the world. Now less energy is being wasted as a result of national campaigns and saving of resources; because the plants are prepared to spend less and because the era of abundant, cheap energy is over. The latter means higher consumer prices, which have an extraordinary effect on residential and industrial savings. Therefore, my idea is to devise realistic projections, which are neither conceited nor pessimistic.

MERCADO: To obtain an idea of those projections, how do you estimate the growth in the gross domestic product, and what correlation would you assign to energy with respect to the economic activity?

Bronstein: In the country's current economic context and that of the international situation, Argentina's GDP could have an annual cumulative growth of 3 percent, with a similar increase in demand for electric power. This is sensible and in keeping with experience and with the forecasts. I think that we can now discuss three major groups of issues: the economic, financial and political technical ones.

Technical Aspects: the Demand Is in Command

MERCADO: Let us focus on the problem to determine what happened to the Yacyreta project up until 1980 or 1981, which was when there was to be bidding and awarding to bidders on the construction work and the electromechanical plant, and where we stand in 1983.

Bronstein: We may recall that, when I was undersecretary of electrical energy, a projection of the demand for electric power between 1977 and 1990 was made. The power really demanded between 1977 and 1980 was remarkably the same as that projected. For 1977, we calculated a demand of 26.6 billion kilowatt hours, and the real demand was 26.5 billion. For 1980, the calculation was 34.8 billion kilowatt hours, and the real demand showed a consumption of 33.9 billion. Something similar occurred in the case of installed power, because the calculation for 1977 was for a plant with 5.2 million kilowatts, and the real plant stood at 5.1 million. The projection for 1980 was 6.6 million and the demand for power amounted to 6.5 million. In that system, according to our calculations, it was noted that, by 1986, it would be necessary for a major project like Yacyreta to go into operation; because, starting that year, there would occur an unsatisfied demand and a power shortage that would increase. In other words, it is calculated that, when the demand for power is 11 million kilowatts and that for energy amounts to 57 billion kilowatt hours, there would be a shortage of plant and an unsatisfied demand. That would have to be the time when Yacyreta's first turbine would begin generating electric power.

MERCADO: What was the power balance forecast for 1986, but including a reserve for the system?

Bronstein: That's a good question, because many people forget that, for reasons of reliability, in other words, security for having a supply on hand at the right time and with the desired quality, every system must have reserves. For 1986, the calculation indicated an installed power of 13 million kilowatts, which entailed a reserve determined by probabilistic mathematics amounting to 2.7 million; which would make a net supply of reserves totaling 10.3 million. But, by that date, the demand had been estimated at 11 million, with a plant deficit of 700,000 kilowatts. To cover that deficit, Yacyret's entry into operation had been planned.

MERCADO: Let's return to the basis of the calculations. What was the expectation of growth in the GDP?

Bronstein: It was a cumulative annual growth of 5.5 percent, which was not fulfilled, and which upset the entire timetable for electric plant. The question helps to explain why, starting in 1981, the estimates were drastically different from the reality; because the current cycle of recession started in the middle of that year. The beginning of a reduced economic activity was noted immediately in the electric area. The demand for energy in 1981 was for 33.4 billion kilowatts, as compared with an estimate of 37.5 billion. The gap was far more obvious last year because, in comparison with an estimated demand for electric power of 41 billion kilowatts hours, the real demand was for 34.5 billion; in other words, a 16 percent difference. The projected plant was 7.8 million kilowatts, and only 6.4 million was needed. That is to say, there was an excess of 18 percent. These data show the need for estimates based on more realistic criteria in the future.

Yacyreta Shows Up Again

MERCADO: Are you sure that, after a demand for energy and plant lower than calculated, there is a chance for Yacyreta?

Bronstein: I am completely certain. Allow me to explain it as follows, at all times based on technical reasoning. The recession is a reality, as is the fact that economic activity is highly erratic; which necessitated being very careful with the calculations. A new reality, namely, the country of 1982, was used as a basis, and a new projection was made of the GDP, amounting to about 3 percent, as I already noted. Repeating the previous methodology, there was found for 1990 a kind of situation similar to the one that had been outlined in 1977 for 1986. The forecast made now, in 1983, found that, by 1990, there will be an unsatisfied demand for power owing to lack of plant.

MERCADO: What does this mean in terms of balance of installed power?

Bronstein: It means that the installed power will be 14 million kilowatts, with a reserve of 3 million, making a net level of 11 million. But the projections for plant needs are 11.3 million, as a low alternative, or 12.1 million, as a high alternative. This means that, by 1990, there will be a shortage of 300,000 kilowatts, based on one hypothesis, or, in the alternate case, of 1.1 million kilowatts. That means that something must be done, and it is called Yacyreta. Just

as in 1977, when one looked at the projections on demand and plant, it was found that Yacyreta had to go into operation when the forecast on plant was 11 million kilowatts compared with a demand of 57 billion kilowatt hours; in 1983, it is noted that a reinforcement of plant was required when the plant was estimated at 15 million kilowatts to meet a demand anticipated at 73 billion kilowatt hours. That plant, with its pertinent reserve, will make it possible to cope with the demand for energy.

MERCADO: These predictions have been criticized by some who claim that it means wagering on a small Argentina, that the estimate should be higher and that Yacyreta should be finished a year early.

Bronstein: From an engineering standpoint, it is impossible to speed up the completion of a project, gratuitously, based on personal desires. And I would like to know whether the individuals who are saying that now are capable of signing and assuming responsibility for ordering that speedup, facing the risks involved in a river such as the Parana. This is a political argument, without technical grounds. I don't believe that the prediction of demand should be too high or too low, but rather realistic, based on the available data. In short, Yacyreta was a project which, based on the supply of and demand for electric power, should have been scheduled to go into operation in 1986, but the recession postponed it 4 years and now it will be needed by 1990.

MERCADO: Is it true that the engineers are divided into those backing the thermal projects and those backing the hydroelectric ones?

Bronstein: I sincerely believe that this is foolishness. Behind every technical project there must be an economic justification and financial viability. Actually, there is great confusion, because they accuse me of being a defender of thermal energy, but I am defending the major hydroelectric project. Furthermore, the companies which sell hydraulic turbines also sell thermal equipment. That type of accusation is part of a folklore that has been greatly distorted by different political ideologies. Perhaps if many of us did not request the technical, economic and financial justification, we would not be accused of anything.

\$10 Billion That Is \$6 Billion

MERCADO: How much will Yacyreta cost? Some speak of \$10 billion, with God's help, and others claim that the cost will be \$6 billion. But I would like to know whether it wouldn't be better to construct the Corpus or Middle Parana alternatives first.

Bronstein: At Yacyreta, the engineering design has been completed, it has financing and it could be started as soon as the contract negotiations with the contracting companies end. A great many phases are still lacking in the other projects. In the case of Corpus, which is more economical, the international treaty with Paraguay has not yet been negotiated, because it is also a binational project. We are talking about a Yacyreta which will have an installed capacity of 2.7 million kilowatts in its first phase, and this is not easy to provide. Middle Parana does not require a treaty, because it is a project within our borders, but it is far less profitable than Yacyreta. In an order of priorities based on profitability and on chances of filling the energy gap that will occur in 1990, the only possibility is Yacyreta.

MERCADO: Why no mixed cycle natural gas turbines?

Bronstein: I don't know any engineer who would feel like installing 2.7 million kilowatts of installed power with mixed cycle gas turbines for security in supply. It is possible that plants totaling 100,000 kilowatts or more might be feasible, but that would have to be studied. The mixed cycle gas turbines have an excellent performance, but consideration cannot be given to a plant as large as that at Yacyreta for the 8,700 hours in the calendar year. Gas turbines are excellent as standbys to cover the maximum peak demand for a few hours a day.

MERCADO: Let's return to the cost of Yacyreta: \$10 or \$6 billion?

Bronstein: It is important to explain some points. Yacyreta, like the majority of hydroelectric enterprises, has multiple goals. This means that it will afford an improvement in navigation on the river, locked in a well-known area: that of the Apiepe rapids. Now 200-ton vessels can sail on it, and in the future this will be possible for 1,500-ton ships, carrying grain, soybeans, cellulosic pulp or lumber. It will hold back floods and allow for constant irrigation of 106,000 hectares, 100,000 of which will be located on the Paraguayan shore and 6,000 on the Argentine. It will promote tourism, and could generate industrial enclave development. All these factors have been evaluated, but none of them was considered in calculating the profitability of the project, which is justified merely by the generation of hydroelectric power for 50 years. The loans were obtained from the World Bank, the Inter-American Development Bank and suppliers precisely because the project is profitable. Not because we say so, but rather because technicians from those agencies say so as well. It is profitable in comparison with the alternative generation from an oil or gas thermal plant, and because of the rate that can be applied. So, it is important to remember that only the generation of electric power was considered and, in the economic calculations, there has been no computation of savings of \$20 million per year in freight charges, or the increase in agricultural-livestock production, or the 8,000 tons of fish per year that have been predicted when the dam forms a great lake.

MERCADO: This is a major explanation, and facilitates arriving at specific figures on the cost.

Bronstein: To arrive at that concrete figure, let's observe it as follows. What the Yacyreta binational entity needs at present is \$5.9 billion for the total construction of the project. This is the real amount needed as a financial effort. As you know, investments have already been made in Yacyreta; in other words, there have been previous investments. But, looking to the future, a further investment of \$3.4 billion must be made as an effort to be accomplished. But, it so happens that the dollar is a currency which also loses value or is attacked by inflation; and this means that, during the construction, an effort will be required to correct that devaluation of the dollar amounting to \$1.1 billion, which has raised the lacking investment, plus the effect of the dollar devaluation, to a sum of \$4.5 billion. But it is planned to request borrowed funds, which is equivalent to having to calculate the cost thereof, in other words, the interest during construction, which is about \$1.4 billion in addition. Now, the total sum needed for constructing the project is \$5.9 billion; but we must also consider the fact that the

project will receive contributions in Argentine pesos coming from the energy funds, and this means having to compute the pertinent interest. That interest causes the foregoing figure to rise to \$9.6 billion. But it must be borne in mind that the difference between \$9.6 billion and \$5.9 billion, that is, \$3.7 billion, will have to be paid right after the start of the 1990's; in other words, when the project is already in operation. This was stipulated in the decrees which authorized the channeling of energy funds for the construction of Yacyreta. So, the total investment would be the \$3.4 billion that is lacking, plus the \$900 million already invested, and this totals \$4.3 billion. If the interest during construction is added to that total investment, as is done in all the plans for investment in electrical projects, amounting to 8 percent per year on the amounts invested during construction, then we reach the final figure of \$6.2 billion. And it is on this basis that all the economic comparisons with other hydroelectric or thermal projects are made.

MERCADO: Is the transmission system calculated in those figures? And if that system is added, does Yacyreta withstand a comparison with a thermal alternative?

Bronstein: That is important. The resources exist where nature wishes, and not where man wants. This means that Yacyreta needs a transmission system, and we can assume that a thermal plant is built in a suburban district of a large city, and hence has no cost for construction of a transmission system. So, to make the comparison that you suggest, we have estimated the Yacyreta transmission system at \$600 million, added to the other costs. We have made comparisons using the present value method, whether by considering the operating expenses plus the lacking investment, or those operating expenses plus the lacking investment plus what has already been achieved; in other words, the total investment. So, it has been proven that Yacyreta withstands the comparison with the different hypotheses regarding interest rates. Yacyreta withstands the comparison in an instance if the interest rate is 15 percent (for the lacking investment), and up to 12 percent, if the total investment is considered. This is the most traditional method for evaluating investments, but there are others.

MERCADO: For example?

Bronstein: Analyzing the Yacyreta rate in comparison with the rate of a natural gas thermal plant. We have assumed that the costs of Yacyreta are getting away from us, despite all the precautions, by an additional 20 percent, and we have assigned to natural gas, as an alternate fuel, a cost that is the international price minus 20 percent. Even so, the Yacyreta rate is more feasible. But we must not forget the extraordinary energy generation that Yacyreta will bring per year, and for 50 years, whereas, although the natural gas turbines are efficient, I cannot imagine an installed power of 2.7 million, and even more so when there is no proven experience with their operation, not for 50 years, but 30 years. We are talking about a production of nearly 18.8 billion kilowatt hours per year, planned for Yacyreta. To produce that energy would entail an equivalent consumption by gas machines of 20 percent of the currently known reserves. My non-sentimental conclusion is that, when compared with other alternatives, Yacyreta combines, simultaneously, the conditions for technical, economic and financial feasibility.

The Financial Resources Enter the Scene

MERCADO: And where do the resources come from?

Bronstein: There are two sources of financing, in addition to the bank loans. One is the self-generation of company funds starting at the time when the first turbine begins operating and there is billing for the sale of electric power, and the mechanism that exists for resources originating in the energy funds created years ago. There are tax surcharges on sales of fuel in all its forms, and on electricity sales. Provided the rate is profitable, Yacyreta's income will only begin to be generated in the seventh year of the project's construction, which is when the first turbine goes into operation. But what has already been appropriated are those funds which must cover 65 percent of the total cost, depending on when the project was designed.

MERCADO: Will those funds really exist?

Bronstein: It is anticipated that those funds will exist, provided we maintain a certain amount of economic discipline regarding the national rate during the most critical phase, namely, the first 7 years. In constant dollars, between 1983 and 1989, inclusive, the funds will have to total the equivalent of between \$6.4 and \$7.4 billion in constant currency. Of course, the political price of having realistic electricity rates and fuel prices will have to be paid; but it is more expensive not to carry out the project and to have an electrical deficit. However, there are other receivers, such as the Interior Electric Fund, and another large-sized project, such as Corpus, Middle Parana or a dam on the Upper Uruguay, the construction of which will have to start in 1987. This means that between \$2.4 and \$2.9 billion in constant currency will be available for Yacyreta. But we must add to this the loans from the World Bank and the Inter-American Development Bank (BID) which, when combined, total \$420 million, as well as the credit from export banks and joint financing; and one reaches the conclusion that the financial plan is realistic and correct, even considering the international monetary problems and the seriousness of the country's problems at the present time.

Consistency of Various Governments

MERCADO: You said that the technical and economic calculations must not be isolated from political considerations. Is there a political decision to carry out Yacyreta?

Bronstein: Of course; there is great consistency in Argentina backing Yacyreta throughout various governments. In December 1973, the pertinent treaty was signed with Paraguay, and in February 1974 it was approved by Congress unanimously, amid editorials in the press citing the importance of progressing with the process of replacing energy from a non-renewable source, such as oil, one with a highly variable price, with another of a renewable type, such as hydroelectric. The entity was created, and there were presidential visits, with the signing of exchanged letters, including one which changed the original design for reasons of greater security, flooding a larger portion of Paraguayan territory, and Argentine pledged to study compensations. Trips were made to the United States to submit the project to the BID and World Bank, as well as other visits to Europe, Canada and Japan, so that the bankers could be apprised of the project. Backing was received, such

as the loans from the BID and World Bank, commercial banks and Eximbank [Export-Import Bank]. The evaluation by the technicians from those banks was positive, and this was recently reiterated. We are at a point of no return, because if we recall each of the difficulties, we shall find that Argentina had just one position: to surmount them in order to construct Yacyreta.

Tables on Demand

Electric Power in Millions of Kilowatt Hours

	1977	1978	1979	1980	1981	1982	1984	1986	1988	1990
Projected	26,600	28,000	31,700	34,800	37,500	41,000	48,000	57,000	67,000	73,000
Real	26,500	27,700	31,400	33,900	33,400	34,500				
New						34,500	38,800	44,500	51,600	60,000
Projections							39,900	47,100	55,000	64,000

Installed Power in Millions of Kilowatts

	5.2	5.5	6.2	6.6	7.2	7.8	9.3	11.0	13.0	15.4
Projected										
Real	5.1	5.4	5.9	6.5	6.2	6.4				
New						6.4	7.2	8.3	9.7	11.3
Projections							7.5	8.8	10.3	12.1

Forecast Made in the Year

Power in Millions of Kilowatts	1977	1983	
	Deficit in '86	Deficit in '90	
Installed Power	13.0	14.0	14.0
Minus the Reserve	<u>2.7</u>	<u>3.0</u>	<u>3.0</u>
	10.3	11.0	11.0
Demand	<u>11.0</u>	<u>11.3</u>	<u>12.1</u>
Balance	-0.7	-0.3	-1.1

Yacyreta

1) Investment to be Made

	Until Generation Begins	After It Begins	Total in Millions of Dollars
Estimated Amount	3,100	300	3,400
Price Scale	<u>900</u>	<u>200</u>	<u>1,100</u>
Subtotal	4,000	500	4,500
Interest	<u>900</u>	<u>500</u>	<u>1,400</u>
Total	4,900	1,000	5,900
Interest on Funds	-	-	<u>3,700</u>
Grand Total			9,600

Yacyreta

2) Financing

Energy Funds		2,600
World Bank + BID		400
Export Banks		<u>550</u>
Subtotal		3,550
Local Banks		150
Banks Abroad	World Bank + BID Cofin. Others	=700 <u>=500</u>
Total		<u>1,200</u> 4,900

Peronist Support for Yacyreta

Buenos Aires CLARIN in Spanish 8 Jul 83 p 14

[Text] The Justicialist Party's Energy Commission deems it "essential", before the awarding of the construction work on Yacyreta, that a group of matters relating to the project be defined and settled, "considering the fact that it will be the forthcoming constitutional government that will have to face the consequences of the inaccuracies and mistakes that are made."

The Justicialist statement explains their backing for the implementation of the dam. It stresses: "Yacyreta should be done, and also done well." To the economists, this means that, "The present Argentine authorities, in contracting for the country's most important public works project, must do so realizing that their greatest responsibility is that of preserving the national interests, disseminating to the public the commitments that Argentina will be assuming."

The commission, consisting of Alejandro Tagliabue, Herminio Sbarra, Juan Legisa, Jorge Blanco, Felix Herrero, Ruben Maltoni, Guillermo Cappadoro, Raul Giuscardo,

Roberto Pacek, Jorge Cosentino and Eduardo Fabre, emphasizes that "inaccuracies jeopardize not only the fulfillment of the purposes for which the project was conceived, but also the actual possibility of accomplishing it."

Specifics

With regard to the agreements concluded with Paraguay, it calls for a definition on "adaptation of the labor protocol to the labor legislation of both countries, equalization of the tax exemption system and an agreement on the system for exchange parity to be applied to financial transactions, a demarcation and definition of the scope of the relocations, and a determination of the necessary safeguards relating to jurisdiction over the powerplant building."

They deem it necessary to agree on "the demarcation of the role of the consultants (Harza Lahmayer & Associates), assigning them the function of technical assistance for decision-making, and consistent adaptation in the respective contract," as well as "resumption by the binational entity of the critical role incumbent on it for the direction, control and execution of the project."

For the bid on the construction work, they demand "a definition of February 1980 as a base date, and a definition of the cost, quality and method of construction for the housing that the bidder would have to build in project areas."

Another matter cited by the Justicialist Energy Commission is "assumption by the bidder of the total technical responsibility for the method of diverting the main branch of the river, without additional cost to the entity." Added to this point is "adaptation of the bid to the bidding proposal form concerning sources of information for adjusting the prices in foreign currency, using the indexes that pertain to the countries in which the spending is actually being done; maintaining the levels of participation noted in the 1980 bid for the local companies in the construction of the projects; clarifying the system for tax and financial promotion being considered by the bidder in his quotation in Argentine currency; using the indexes established in the bidding proposal form for adjusting the price of Argentine steel; and defining the financing for the new construction team."

Middle Parana Cost

Buenos Aires CLARIN in Spanish 8 Jul 83 p 14

[Text] This coming October, the Secretariat of Energy will conclude the detail design relating to the Middle Parana dam, the direct cost of which (including 10 percent interest during construction, and excluding conveyance to consumption centers) has been estimated at \$5.4 billion.

That sum, comprising the financial charges, represents a unit generation cost equivalent to the current rate of Salto Grande.

In addition to Yacyreta and Middle Parana, it is estimated that, by 1994, the electric system will require the incorporation of a sizable new development: Piedra del Aguila or Corpus. But, in order to be able to equip Middle Parana (in the

event that this project is opted for) by that date, the decision on its construction must be made next year, considering the fact that the determination in the area of financing, infrastructural projects and bidding process will take a period of between 2.5 and 3 years, and that the construction of the main works, up until the equipping of the first generating set, will require 7 years.

The Secretariat of Energy will also continue the studies on the northern closure of the project and the analyses required to optimize the section, as has been explained in a resolution disseminated by that department. In the whereas clauses, it is explained: "Although the fundamental purpose of the project is hydroelectric development, the Middle Parana works include multiple goals, such as land recovery, flood protection, compensatory irrigation, and highway and rail communications."

Priorities

The Water and Electric Power entity, which is carrying out the technical studies, regarded as a chronological priority the southern development of the project, located at Chapeton Island, and, for the detail design of this part, it will have technical assistance available from the Soviet firm Technopromexport.

According to the analyses already made, this part of the hydroelectric complex will require 2 million tons of cement, 20 million tons of aggregate, 220 million tons of loose material, 420,000 tons of structural steel, 130,000 tons of hydroelectric-mechanical equipment and 8,000 tons of electrical material.

The Middle Parana powerplant will have an installed power of 3,000 MW, with an average annual generation of 18,500 GWh, equivalent to 50 percent of the country's present hydroelectric generation.

Arroyito's Inauguration

Bahia Blanca LA NUEVA PROVINCIA in Spanish 24 Jun 83 p 8

[Text] Neuquen (A)--A project not called for in the original plan received by HIDRONOR [North Patagonia Hydroelectric Company] when the company was created in 1967 to accomplish the El Chocon-Cerros Colorados complex has reached its termination and consequently is yielding results. The Arroyito compensator dam, which has been in full operation since the beginning of last year, is now feeding the engine room in which, at noon today, the first of the three turbogenerators, each with a power of 40 megawatts, will go into operation for the first time, after having satisfactorily passed the testing.

The dam (3.5 kilometers long and 26 meters high), the lack of planning for which concerned the residents of the Plottier shore and this capital at the beginning of the 1970's, had to be studied by the state corporation to resolve possible damage on the banks of the Limay if the discharge from El Chocon were to run off freely through the channel. It may be recalled that machinery was installed in this powerplant to produce "peak" power 6 hours a day, something that would bring about an output of up to 2,400 cubic meters per second during the same period of time, with the passage of water later stopped until the time when the activity was resumed, at 1800 hours.

The prospect of damage was eliminated, in 1975, through the construction of a heavy wall to contain the basic liquid 50 kilometers west of this capital, along Route 22, near where Route 237 leading to the lakes region begins. The wall forms a new surface of less than 4,000 hectares in area, which absorbs the sudden changes in level, allowing the output to the lower stream to be constant and close to the river's historical runoff averages. The dam, planned in 1971, was considered to be completed in early 1977, but it was actually not until April 1982 that it attained its goal of total compensation for the volumes of flow arriving from 30 kilometers upstream.

The existence of a useful head of nearly 16 meters, continually, led to its utilization for energy, in a second phase which began in 1979, with the construction work, and its first turbogenerator, with 40 megawatts, started to be installed in mid-1981. Despite some delays, it was expected to be in operation by December 1982, and this finally occurred last February; it went into commercial use last April. From now on, the two remaining machines for the project will be equipped, at a date not yet announced.

Some 20 contractors have participated in the consulting, management and inspection, construction work, geophysical profiles, drilling and testing, identification of materials, topographical survey, hydromechanical and mechanical lifting equipment, manufacture and installation of turbines, generators, gates, transformers, meters, high tension devices and other design requirements. Prominent among the suppliers is the Mendoza firm IMPSA (Pescarmona Metal Industries, Inc), because it has manufactured the first and largest Kaplan type turbines produced in the country.

A recent report from HIDRONOR states that, at current values, the investments are estimated as being equivalent to \$56 million for the compensator dam, and \$129 million in the same currency to cover the cost of the powerplant. The state corporation's house organ adds that 91 percent of the total in both categories was paid to Argentine firms participating in the work in some way.

The magnitude of the effort expended in the area over about 8 years can be gaged by citing the earth movement done with special machinery: About 3 million cubic meters of silt, sand, gravel and rock have been excavated, while at the same time reinforced concrete structures have been built, the total volume of which is calculated at 285,000 cubic meters, containing 10,550 tons of steel. Compounding all this are an additional 1.2 million cubic meters of other materials.

Arroyito has become the second hydroelectric development on the river which has its source in Nahuel Huapi, joining the Neuquen to create the Negro. Unlike the first one, El Chocon, it will operate as a "base powerplant," and, with a plant 10 times smaller, it will put out about 720,000 megawatts per hour annually; in other words, slightly less than a quarter of the average annual generation of its older sister. Its production is allocated for regional consumption, feeding both the Alto Valle system (covering the most heavily populated area of Rio Negro and Neuquen, from Chichinales to Plottier, and extending to Catriel in the north), and the Neuquen Provincial Energy Entity's system, which meets the demand of Cutral Co, Zapala and the settlements in the northwestern part of the province. It will also deliver electricity to the heavy water plant under construction a short distance from the compensator dam, and to the construction workers on the forthcoming developments at Piedra del Aguila, Pichi Picun Leufu and Michihau.

2909

CSO: 3348/557

HYDROELECTRIC PROJECTS REQUIRE \$3 BILLION IN INVESTMENTS

Bogota EL SIGLO in Spanish 3 Jul 83 p 1

[Text] The government announced yesterday the construction of what will be the largest hydroelectric plant in Colombia (at Ituango, Antioquia), expected to generate 4.27 million kilowatts. The project will require an investment of \$2.3 billion, and is to be the most monumental effort launched by the electricity sector in its entire history.

The announcement was made by Mining Minister Carlos Martinez Simahan at a conference in Medellin at the Chamber of Commerce facilities.

The official presented a wide-ranging explanation of the importance of hydroelectric resources in Antioquia, and announced that more than \$3 billion will be invested over the next few decades in various projects.

Among those projects he cited primarily the Ituango hydroelectric plant, which will provide jobs for more than 10,000 Colombians. The project calls for a 247-meter dam and a reservoir with a capacity of 4 billion cubic meters, which will flood a maximum of 63 square kilometers, converting a stretch of some 100 kilometers of the Cauca River into a lake.

Canafisto is another of the projects mentioned by Minister Martinez Simahan. It is located some 50 kilometers from Bolombolo, and will require investments of US \$1.5 billion. It will contain five turbines with the capacity to generate 1,500 megawatts.

The minister also gave a progress report on the Amaga thermoelectric plant, which will require 350,000 tons of coal from the Amaga-Venecia la Albania sub-basin. He said that the budget for the project calls for spending some 18 billion pesos between now and January 1985, and expressed confidence that construction will begin within the term of this administration.

8926

CSO: 3348/547

DETAILS OF MANNING'S 5-DAY DISCUSSIONS WITH VENEZUELA

Port-of-Spain TRINIDAD GUARDIAN in English 20 Jun 83 p 1

[Text]

TRINIDAD AND TOBAGO'S excess refining capacity — down from 450,000 barrels daily to 65,000 bd — was discussed when Energy Ministers from this country and Venezuela met in Caracas from June 12-18.

Minister of Energy and Natural Resources, Mr. Patrick Manning, who held talks with his counterpart, Dr. Umberto Calderon Berti, briefed him on this country's Caricom oil facility and the effect of current developments on the international petroleum market on the local oil industry.

Mr. Manning, accompanied by a team of eight, spent a five-day working visit in Venezuela, on the invitation of Dr. Berti. A joint communique issued on Saturday said:

"In an atmosphere of frankness and cordiality, the Minister of Energy and Natural Resources of Trinidad and Tobago held wide-ranging discussions on energy and related matters with the Minister and senior officials of the Ministry of Energy and Mines of Venezuela and of Petroleos de Venezuela (PDVSA).

Mr. Manning visited the heavy oil-producing facilities of Meneven, in the Orinoco, and the upgraded facility for processing of heavy oil at the Amuay Refinery, in Western Venezuela. He also visited the research facilities of the Instituto Tecnológico Venezolano de Petroleos (Intevep). Discussions centred on:

- *the effect of current developments in the international petroleum market on the oil industry in Trinidad and Venezuela;

- *technical co-operation in energy, with emphasis on training of locals in Venezuela;

- *the present status of the refining industry in Trinidad—Tobago;

- *the exchange of information on matters related to the petroleum industry;

- *the supply of products to the Caribbean market; and

- *the Trinidad and Tobago Caricom oil facility and the Venezuela/Mexico Oil facility.

Mr. Samuel Martin, Vice President of Iron and Steel Company of Trinidad and Tobago (ISCOTT) held talks with officials of Ferrominhera and Siderurgia de Orinoco (SIDOR), so as to investigate opportunities for increasing trade in iron ore and steel products between the two countries.

Mr. Manning and Dr Berti agreed, among other things, that further detailed discussions will be held at an early date by technical teams of both countries.

Matters to be considered by the technical teams will include the supply of petroleum products within the Caribbean, the training of nationals of Trinidad and Tobago in technical areas related to the oil industry, and the exchange of technical data.

CORDIAL SPIRIT

The two ministers reaffirmed the political will of their respective Governments to foster bilateral co-operation in the energy sector.

According to the communique, the ministers noted with satisfaction the cordial spirit in which dis-

cussions were conducted, and hoped that continued dialogue between the two countries on energy matters would lead to the identification of opportunities for future collaboration, to the mutual benefit of both republics.

At the end of his visit, on Saturday, Mr Manning thanked Dr. Berti for the warm hospitality extended to him and members of his delegation.

CSO: 3298/750

STILL NO RESPONSE FROM GOVERNMENT TO TEXACO OFFER TO SELL

Port-of-Spain TRINIDAD GUARDIAN in English 29 Jun 83 p 3

[Text]

SAN FERNANDO:

IT HAS been almost one month now that Texaco offered to sell 75 per cent equity in its Pointe-a-Pierre, refinery for \$480 million (TT) to the Government of Trinidad and Tobago, but so far the Government has not responded to the offer.

Questioned on the matter yesterday, a Texaco official said: "No decision has yet been received from the Government on the refinery."

Texaco has also offered to sell Government four parcels of its land surface at Brighton, Piparo, Delhi Road and La Costina Estate, all in the south and the asking price is reported to be a little more than \$319 million.

It is understood that Government has not to date informed the company whether it intends to take up this offer.

Meanwhile oilworkers employed with the company seem to be despondent over the delay by Government in making an announcement one way or the other concerning the company's offers.

NO REPLACEMENTS

According to one supervisor: "We

just cannot work under such uncertainty." He pointed to the exodus of senior workers resulting from agreed retirement, without replacements.

The company, it was learnt, has plans to restructure its operations. Question is when would those plans go into effect, the oilworkers asked.

On the other hand, it was reported that the company has started to give out work to contractors once again, particularly in the Guayaguayare area.

Questioned about this, a company statement said: "The company issued contracts where necessary to carry out its business."

With respect to its operations, Texaco said that "operations are proceeding normally."

In addition, the company said that they are continuing to operate at 65,000 barrels average throughput. Actual throughput varies depending on the availability of crude oil.

The company is getting crude from Trintoc, in addition to its own production to maintain the 65,000 barrels daily. It was learnt that petroleum products were flowing out of the Pointe-a-Pierre bond as usual.

CSO: 3298/750

VENEZUELAN, PERUVIAN GEOPOLITICIANS ISSUE JOINT STATEMENT

Caracas EL NACIONAL in Spanish 29 Jun 83 p C-2

[Article by Eduardo Delpretti]

[Text] At the conclusion of several days of seminars devoted to the geopolitical and strategic analysis of Latin America, especially the island and Central American region, and in favor of peace, security and democracy, the Peruvian and Venezuelan Institutes for Geopolitical and Strategic Studies signed a joint declaration.

In this declaration, they suggested, among other things, the desirability of promoting a meeting of Latin American and Caribbean army commanders and geopolitical specialists to consider, from the standpoint of regional strategic interests, the measures required for the defense of Latin America and the Caribbean.

The declaration bears the seals and signatures of Maj Gen Edgardo Mercado Jarrin, president of Ipege (Peruvian Institute for Geopolitical and Strategic Studies) and Dr Simon Uzcanga Lovera, president of Ivege (Venezuelan Institute for Geopolitical and Strategic Studies), and was authenticated by Dr Augusto Llosa, secretary general of the Venezuelan institute, in the presence of directors of both institutions such as Gen Victor Maldonado Michelena, Dr German Escarra Malave and Dr Humberto Mayo. It was also signed by Gen Alberto Leal Torres, Beatriz Gerbasí de Dastrub and Gisela Gomez.

They drew it up, "foreseeing the great importance for the continent of the convening of the Congress on Latin American Political Thought, on the occasion of the bicentennial of the Liberator, Simon Bolivar, who conceived a new kind of nation-state, a regional entity capable of assuming the continental character that the area lacks today and that it needs to influence historic decisions."

The factors that led to the signing of the declaration were enumerated one by one:

The Malvina Islands crisis demonstrated that the postwar world continues to be organized politically, economically and militarily in terms of the East-West confrontation and that the strategic interests of the developed countries do not necessarily coincide with ours.

Their vulnerability weakens the national unity of the Latin American and Caribbean states and favors the direct or indirect intervention of foreign powers, which are carrying on a geopolitical conflict within the area, which threatens to become polarized, using economic means and employing the space necessary for their plans to achieve hegemony.

This scenario shows the geographic space of certain Central American countries being used in an escalating process that threatens to become an exercise in military experimentation, resulting in the stepping up of the conflict and providing a springboard for new and broader aggressions with, contrary to the principles of international law, the aggressors assuming no responsibility for such acts.

The seriousness of the present situation constitutes a growing threat to the security of the region and, owing to armed interventions and other direct and indirect forms of interference that undermine the unity and sovereignty of the states, puts the preservation of peace in imminent danger.

For some time past, Latin American governments have been making efforts to improve and modify the juridical structure of the OAS charter.

The above-mentioned seminar concluded that there is an urgent need to make adjustments in the continent's defense organization and to revise the Inter-American Mutual Assistance Treaty (TIAR) and so recommended.

For all the reasons cited above, they decided:

1. To reiterate that the thinking of Simon Bolivar has kept the process of regional integration alive and permanent, despite its being weakened today by the Central American crisis, and will lead to the establishment of a new kind of nation in Latin America.
2. To reject the use of force as an instrument of political and ideological domination, depriving peoples of their national identities and their legitimate right to choose their leaders by democratic means.
3. To repudiate direct and indirect interference in the affairs of other states, as well as the use of all methods designed to divide a country's citizens for the benefit of foreign powers' geopolitical interests.
4. To exhort Latin American governments to maintain the momentum for restructuring the inter-American system and to reaffirm the Latin American solidarity generated by the Malvinas Islands crisis, in order to create new institutions of exclusively regional political coordination and to promote revision of the TIAR.
5. To suggest the desirability of promoting a meeting of Latin American and Caribbean army commanders and geopolitical specialists to analyze, from the standpoint of regional strategic interests, the measures required for the defense of Latin America, and the Caribbean.

6. To exhort the countries in the region to choose their own political, economic, social and cultural systems without entering into the play of interests of the East-West conflict, which threatens international peace and security.
7. To confirm, in the face of the present crisis in Central America, that a true democratic system is the way of life and government best calculated to guarantee international peace and security among the nations of the area, with neither interference nor conditioning by foreign powers.
8. To support the demarches in favor of peace being made by the countries of the Contadora group and to ask that the selective participation of other nations in the pacification effort be facilitated, with the objective of strengthening the group's negotiating capability.
9. To invite similar institutions on the continent to fight for regional cohesiveness and understanding and to cooperate in the solution of our conflicts through the promotion of integration, confirming the validity of the idea that development, security and democracy are the basic elements needed to achieve peace for our nations and thus taking up Simon Bolivar's message of unity.

12336

CSO: 3348/540

MEETING OF AGRICULTURAL MINISTERS OF ANDEAN PACT OPENED

Caracas EL UNIVERSAL in Spanish 1 Jul 83 p 1-16

[Text] At the ceremony opening the meeting of Andean Pact agricultural ministers, President Luis Herrera Campins proposed the establishment of an agreement on agriculture, environmental protection and assured food supplies.

The ceremony took place in the Ayacucho room of Miraflores Palace.

Among other things, President Herrera said the following in his speech:

Food production occupies a very important place among the concerns of the international community today. It is a real power that, when properly used, evinces a desire for cooperation and understanding. Nevertheless, as our minister of agriculture and livestock, our dear friend Nydia Villegas, recently affirmed at the 8th ministerial meeting of the World Food Council, which for the first time was held at the seat of the United Nations, we find the ironic situation these days that "regrettably, the increase of food reserves above the level suggested by the FAO (18 percent) is attributable to improved harvests but, tragically, also to the economic situation of the developing countries, where foreign exchange to cover the deficits resulting from imports is lacking and the demand for food is restricted by the limited or nonexistent purchasing power of the poorest sectors of society."

What is involved therefore is not simply production but also distribution, which is the means of giving effect to the social function of wealth and enabling everyone to benefit by it, above all insofar as feeding the people is concerned. But the basic imperative is to produce, for, without adequate production, all the rest remains floating in the void of wishes and there is nothing to grasp onto. And governments have an important role to fill: to establish the objective conditions that facilitate production, that make agriculture and rural life attractive, that transform agricultural production into a profitable activity and that prepare the way for prosperity to reach the rural sectors.

When I extended a formal invitation to my distinguished friends, the presidents of the Andean and Bolivarian republics, to honor us with their presence at the ceremonies commemorating the 200th anniversary of Bolivar's birth, I took the liberty of suggesting the possibility that, without detriment to other subjects

of equal or greater importance, we might study at that time whether it would be desirable to establish an agreement on agriculture, environmental protection and assured food supplies, all subjects of recognized and marked urgency. I am not going to spell out here the compelling reasons that motivated me in proposing this initiative to the always well disposed political will of the Andean countries. I will add only that I proposed, should the idea find the hoped for acceptance, that we give this agreement the name of "Carlos Celestino Mutis," in honor of the great man the bicentennial of whose botanical expedition is also being commemorated in 1983. You have received the outline or brief description of the proposed agreement, which you will study during your deliberations in Caracas and take back to your respective governments for final wording and positions.

12336

CSO: 3348/540

BRIEFS

VENEZUELA CONDEMNS CUBAN STATEMENTS--The government regards as improper the statements made by Flavio Bravo, president of the Cuban National Assembly of the people's government, concerning the case of the Cuban airplane that was blown up. This is what Remberto Uzcategui, vice minister of the interior said upon receiving the visit of a delegation from the Patriotic Cuban Council, which called for the immediate expulsion from the country of Flavio Bravo, who is participating, as the Cuban delegate, in the Congress on Latin American Political Thought. The vice minister added that the possible consequences of Flavio Bravo's statements are under study. [Text] [Caracas EL UNIVERSAL in Spanish 1 Jul 83 p 1-1] 12336

VENEZUELAN-COLOMBIAN NEGOTIATIONS POSTPONED--Foreign Minister Jose Alberto Zambrano Velasco said yesterday that it is up to Venezuela's next elected government to continue direct negotiations with Colombia in pursuit of a solution to the dispute over maritime and subsurface areas. Zambrano Velasco was present at Miraflores Palace yesterday for the inauguration of the 5th meeting of the Andean region's agriculture ministers. He was asked about the position of Colombian President Belisario Betancur, who has indicated that he favors direct negotiations with Venezuela in pursuit of a solution to the border dispute between the two countries. "It really is the most logical way to resolve the problem of demarcating the maritime and subsurface areas between the two countries," he affirmed, "and it is real cause for satisfaction that the new Colombian head of state has so indicated. His foreign minister has also said so, and therefore it is up to Venezuela's next elected government to continue negotiating with Colombia until demarcation of our maritime frontier is achieved." Asked about the statement of the president of the Cuban People's Assembly to the effect that relations between the two countries continue to depend on the decision taken concerning those accused of blowing up the Cuban airplane, he replied that there was nothing more to be said on the subject. He indicated that Venezuela had made its position sufficiently clear and had done so at the highest government level. [Text] [Caracas EL UNIVERSAL in Spanish 1 Jul 83 p 2-1] 12336

NICARAGUAN OFFICIAL VISITS VENEZUELA--Sergio Ramirez, a member of the Nicaraguan junta, considers it as very important to the junta that there is a political consensus on the Central American problem in Venezuela. Ramirez met

yesterday with a series of our country's political leaders, including presidential candidates Teodoro Petkoff and Jose Vicente Rangel, Senator Gonzalo Barrios, president of Democratic Action (AD), and Hilarion Cardozo, president of the Senate Permanent Committee on Foreign Affairs. Today he expects to meet with former President and COPEI (Social Christian Party) presidential candidate Rafael Caldera. He already met on Monday with former President Carlos Andres Perez. "It is very important to us that we have found no differences among the various Venezuelan political sectors in their perceptions of Central American problems," he said. "If, for example, the United States would see that there is a consensus on this question in such an important country as Venezuela, it would be helpful to us." He indicated that the Nicaraguans hope that, apart from the Contadora demarches, the diplomatic activity will continue its course. He indicated that the positions of Nicaragua and the United States are not irreconcilable, so long as it is a matter of direct conversations and the latter country accepts Nicaragua as a nation that has determined its own destiny and rejects outside interference. [Text] [Caracas EL NACIONAL in Spanish 29 Jun 83 p D-13] 12336

CSO: 3348/540

OPPOSITION VIEWED AS DIVIDED, TIRED, WITHOUT DIRECTION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Jul 83 p 4

[Text] Without a chance of trying for the presidency of the republic before 1991 and defeated in advance by the Social Democratic Party (PDS) in the electoral college that will pick the successor to President Figueiredo, the opposition is disunited and going in opposite directions. The Brazilian Democratic Movement Party (PMDB) and the Democratic Workers Party (PDT) are trying in their own ways to raise the banner of direct elections for president but in Rio, the PDT has just buried the declaimed opposition unity by making an agreement with the PDS. And the Workers Party (PT) does not accept the status of a satellite of the PMDS.

Victory in 10 states contributed to dividing the opposition cadres even more. With the lack of financial resources, the governors tend to approach Planalto Palace, in contrast to the opposition posture of the respective blocs in congress. Brizola and his bloc do not see eye to eye. The governors of Minas, Amazonas, Parana and Mato Grosso do Sul differ with the deputies and senators of the PMDB on presidential succession. With only seven deputies, the PT has an internal crisis in its principal base, Sao Paulo, with threats of purges among its congressional cadres.

In all the states where they are governing today, the opposition is struggling with political crises and administrative problems aggravated by the lack of funds. That is what is revealed by this survey by the network of branches and correspondents of O ESTADO with final text by the Brasilia branch.

Direct Election, a Sensitive Issue

If it depends on the acting president of the PMDB, former Senator Teotonio Vilela, the party will do in 30 days what it has failed to do since 16 November 1982: adjust its various front lines, Or adjust the "Front" that is a party. Even respecting the position of the president on leave, Ulysses Guimaraes, the former Alagoan congressman has already declared war on standing still.

To begin the conversation, Teotonio Vilela prohibited the word "conciliation" from being spoken in his office. In 24 hours, he has already had telephone contacts with Tancredo Neves, Franco Montoro, Gilberto Mestrinho, and Nabor Junior. He spoke personally with two leaders of the "understanding" Senator

Fernando Henrique Cardoso and Deputy Fernando Lyra: "I 'chewed' them both out," he revealed.

"Fernando Henrique was dancing to a Viennese waltz, a Strauss waltz. He is going to have to dance a round dance. As for Fernando Lyra, he seemed like the camelia that fell from a branch. He is going to have to dance the jig," explained Teotonio Vilela in his typical language. He meant to say that the Sao Paulo senator and the Pernambuco deputy must set aside the proposition of conciliation, of consensus, and roll up their sleeves in the fight for direct elections for president.

Everything indicates that if it depends on the acting president, Ulysses Guimaraes may find a new PMDB in August. Either a party completely in tune with the direct election proposition, with the participation of its nine governors and all of its "worthies," or then a PMDB inevitably divided down the middle between those who prefer the "understanding" and those who prefer to insist on the lyrical preaching of the direct vote in 1985.

More than the internal division surrounding the election process, the PMDB crisis is existential. It stems from the lack of prospects of assuming central power. Until proof to the contrary, the elections of January 1985 will be indirect and the new president will have a 6-year term. The hope of change exists only in the 1991 elections. Ulysses will be 75 years old, Tancredo, 81 and Montoro, 74.

For that very reason, the PMDB is fighting for direct elections in 1985, confronting mainly internal resistance. Of the nine governors, thus far the most discreet in lack of faith has been Franco Montoro followed by Jose Richa. The others, while not refusing to support the party banner, have also not shown great enthusiasm. Not because they disagree but because they do not believe in the feasibility and the opportuneness of the proposition.

Despite the disbelief of Ulysses and Vilela, the governors and almost the majority of the PMDB prefer that the party prepare for other alternatives. With the failure of the direct election proposal, the PMDB will have to be ready to confront the government in the field of indirect elections.

How? With another anticandidate? With a civilian, as in 1974 with Ulysses Guimaraes, or with a reserve military man such as Euler Bentes in 1978? Will the PMDB remain absent from the electoral college or participate, abstaining from voting? Would there be the possibility of the PMDB joining PDS dissidents to elect a government candidate unhappy with the Planalto Palace solution (Maluf or Andreazza)?

These questions are being asked in the PMDB blocs but they remain unanswered. Ulysses Guimaraes, Humberto Lucena, Freitas Nobre, Teotonio Vilela, Francisco Pinto, Pedro Simon and other party leaders refuse to study other alternatives. "We are committed to direct elections," declares Pedro Simon.

By virtue of that commitment, the PMDB does not permit itself to study the propositions of understanding, of a possible consensus candidate, supported

by the governors and by influential party leaders. "Conciliation? That is an old thing. The dream has ended," say Teotônio Vilela.

Greatly respected as he may be in all of the PMDB, the former senator is not going to be heeded. Many agree to listen to him, to respect him. Few will venture to follow him. That is the reality of the "new" PMDB that has emerged from the 15 November polls.

Tancredo Neves, governor of Minas, is a source of erosion for the party leadership with his constant preaching in favor of conciliation in the succession to President Figueiredo. It is commented that Tancredo would carry all of the Minas PMDB to support Aureliano Chaves in the electoral college. He would carry it indeed because the relationship between the governor and his state deputies is being hurt by the lack of appropriations and the politicians frequently see their demands refused.

State Deputy Paulo Ferraz, son of the secretary of industry and commerce, Jorge Ferraz, complains: "Thus far, I am out of the government." If he, who is well placed, considers himself sidelined, the others are in worse condition. The PMDB is accused by PDS politician Mario Pacheco of utilizing a procedure that should be exclusive to those who are in opposition to the governor--requesting public works by means of petitions to the presiding board of the assembly.

Tancredo Neves alleges that when his deputies complain "they pretend they do not know the difficult situation of the country and the state." And he quotes figures: of the \$1.2 billion owed by Minas Gerais abroad, 65 percent comes due in the first 3 years of the administration. The state's internal debt exceeds 270 billion cruzeiros and the collection of the state goods transfer tax (ICM) is 20 percent less than the expenditure on the bureaucracy. Lacking the possibility of carrying out projects or appointing many people, the government has limited itself to dismissing civil servants in order to take care of the requests of politicians.

Governor Jose Richa of Parana also understood his dependence on Brasilia and sought a discreet rapprochement with Planalto Palace on discovering that the state budget for this year presents a deficit of more than 80 billion cruzeiros and its balance will require a cut in investments and obtaining new loans.

To reduce expenses, he abolished two secretariats of state, dozens of other agencies and many advisory organs, dismissed about 900 civil servants and earned the criticism of promoting "political persecutions in the state."

Counterbalancing that, he has been able to announce the 13th salary [level] for state civil servants and granted a salary readjustment of 5 percent above that given by the federal government to its civil servants despite the floods that struck the southern region of Parana. And he does not have political enemies in the PMDB unless it be the discreet watchfulness of Deputy Alencar Furtado over his administration.

In Espirito Santo, Governor Gerson Camata is facing a difficult situation due to a lack of financial resources aggravated by the gradual deterioration of his relations with Planalto Palace despite his attempts at rapprochement with President Figueiredo. To please the federal government, he made statements in favor of a negotiated succession and displeased the leadership of the PMDB.

At the internal level, he has been pressured by the state deputies because he does not have funds for projects and the contracting of civil servants was restricted to those strictly necessary. It is believed that he may even lose the majority he has in the Legislative Assembly, to which the debt of 75 billion cruzeiros that he inherited from his predecessor is certainly contributing.

Governors Administer Deficits

In Goias, Governor Iris Rezende already seems not to have any illusions about her administration. She recently exclaimed to a group of PMDB state deputies: "It is not possible to govern a state without the periodic financial assistance of the federal government and the release by the Bank of Brazil of funds held for the payment of debts, of almost 400 billion cruzeiros, incurred by different organs of the direct and indirect administration."

Even with the dismissals made by the governor, about 20,000--which earned the condemnation of Planalto Palace--the expenditures on the bureaucracy alone exceed 2 billion cruzeiros, the amount of state revenues.

It is those difficulties that led Iris to a rapprochement with Planalto Palace and with President Figueiredo himself, in addition to contacts with ministers in the economic area in an attempt to find a solution for the difficulties of Goias. That rapprochement was not well understood even by PMDB state deputies. One of them, Tarza de Castro even made a formal petition for revocation of the title of "Citizen of Goias" granted and not yet present to Delfim Netto by the state Legislative Assembly. More manifest even was the gesture of the secretary of security, Jose Freire, who ordered the police guard removed from the country estate in which former Minister Golbery do Couto e Silva chose to live, in Luziania, in the interior of Goias very close to the federal capital.

A state where the bureaucracy represents almost 10 percent of the local population, Acre presents a picture very similar to the other units of the country: the difficulty of obtaining employment despite the fact that the region has become one of the maor "agricultural frontiers." Many are the technicians, youths recently graduated from universities or other professionals, who seek out the state with the illusion of finding a position. They try for months and finally are forced to venture further, in the Amazon in search of prospects.

Governor Nabor Junio is aware of that situation and, therefore, of the importance of public service as a labor market. For that reason, there were very few dismissals there. He is seeking to avoid misunderstandings with the politicians because he knows that the local PMDB is divided into various wings.

At a distance, the PDS uses an argument very similar to that of the opposition: it preaches the need for unity to defend the interests of the state.

In Para, the situation of Goias is repeated more or less, except for a small surplus of revenues over expenditures on the bureaucracy. The state collects 3 billion cruzeiros and has a personnel payroll of 2.5 billion cruzeiros. In September, the problem is going to become aggravated with anticipation of a payroll of 4 billion cruzeiros.

Governor Jader Barbalho is utilizing financial operations to try to overcome the shortage of funds and throws all federal transfers into the "open"--about 3 billion cruzeiros per month. Even with that strategy, the treasury of the state bank has been operating in the red for some time, with a deficit of 3 billion cruzeiros and even the threat of intervention by the Central Bank.

The state's ability to borrow is becoming less and less and dependent on federal transfers. Even belonging to the PMDB, Jader Barbalho is seeking to establish a good relationship with Planalto Palace, but not even that has placated the ire of the federal government which, to this day, is bitter over the defeat suffered in the state, even by one of its major leaders, former Senator Jarbas Passarinho.

Like almost all the other governors, Barbalho is facing the serious problem of unemployment, which is at one of the highest percentages. Half of the economic activities are in recession.

Governor Wilson Martins of Mato Grosso do Sul dismissed a little more than 1,000 state civil servants and spent those first 100 days of his administration trying to put the house in order, especially the financial sector. The allegation for the delay: former Governor Pedro Pedrossian did not turn over a state to Martins but rather a bankrupt mass. The state debt is in the order of 10 billion cruzeiros.

Notwithstanding that chaotic situation, the new governor sees reasons for optimism and declared on his 11th day of government that the state was beginning to show the first signs of recovery. And he pledged that by the end of the year, Mato Grosso do Sul will be a viable state.

On the political level, Wilson Martins is facing some problems and he does not always obtain the support of the PMDB representatives. The governor accuses them of being "political job-holders like those of the PDS."

Some observers find it natural that Martins should make that type of appraisal of the politicians: he had been away from public life for 18 years.

Perhaps for that reason, the governor sometimes says that he is capable of governing with a minority in case he does not find collaboration in his party. After all, when he was the mayor of Campo Grande 23 years ago, he did exactly that.

PDT Assumes Status of Brizola Satellite

Leonel Brizola's PDT has finally assumed its status as a satellite of the governor of Rio de Janeiro, relinquishing the quest for its own courses not always coinciding with the wishes of its creator. In doing so, it achieved a level of internal adjustment that seemed impossible a little more than 2 months ago when at the meetings of its blocs in the Chamber of Deputies at least one-third of its 23 members still made more or less caustic comments about the personalism of Brizola and his little attention to the party.

The change was possible in part by the greater attention that the governor of Rio de Janeiro began to devote to his party, which does not mean, however, that he has abdicated any portion of his decision-making power, which remained untouched. At the same time, his acceptance by the PDT has increased, which was evidenced at the time of the agreement with the PDS of Rio de Janeiro, assimilated without much problem by his federal and state blocs.

As for the relationship of the PDT with the other opposition parties, it has been shown to be satisfactory at the congressional level notwithstanding the criticism that has been exchanged between Ulysses Guimaraes, president (on leave) of the PMDB and Leonel Brizola. The PDT leader in the Chamber of Deputies, Deputy Bocayuva Cunha, said this week in Brasilia that his party is playing with time in its favor and it is not in a hurry to grow quantitatively in a disordered manner. In his opinion, the rising curve that Brizola's political prestige is experiencing remains firm and the prospects that open up for strengthening the PDT are too great and too important to be wasted on what is commonly called party swelling, that is, an artificial growth for the effect of enlarging parties. But the fact also is that the PDT continues to revolve around Brizola and has its destiny directly linked to his, to grow or to deflate, and anything can happen.

An internal and foreign debt estimated at 827 billion cruzeiros--inherited from Governor Chagas Freitas--and the inability of the PDT to manage the administrative machinery of the state of Rio with its endemic human resources have ended up affecting the image of the so-called "dark-complexioned socialism" patiently forged during the election campaign. Allied to those problems are the personalist and centralizing traits of Governor Leonel Brizola, who personally controls and oversees the appointments to the most modest positions. Even the mayor of Rio, Doctor Jamil Haddad, is obliged to submit for his appraisal every day any type of action that may run counter to the municipal administrative bureaucracy.

The PDT, which came to power in Rio carried on the shoulders of the middle class, has been experiencing for 3 months the grief inherent in all those who exercise government. The ideological unity exhibited during the campaign has also not weathered the hard reality of power. The party's institutional problems at the present time are as difficult as the financial difficulties faced by the government. The state deputies who comprise the Rio bloc of the PDT sometimes appear to be at the service of other parties and ideas that have nothing to do with the socialism preached during the campaign. Last week, when

the secretary of justice, Vivaldo Barbosa, was presenting lengthy emotional testimony in the Congressional Investigating Committee on Human Rights, defending the policies established by the government to correct the distortions of the penitentiary system, two PDT deputies expounded viewpoints diametrically opposed to those postulated by the party. Deputy Mariano Goncalves, shouting in the Legislative Assembly, called for the adoption of capital punishment to deter the wave of violence that is assailing the city of Rio de Janeiro; and Paulo Quental, who demanded the reduction of the five daily meals that are served in prisons to only two as a way of not encouraging crime "in the difficult times we are living," as he himself emphasized.

Some of the speeches or statements of PDT politicians have ended up being incorporated into the irreverent Rio joke-book, such as the proposal of the municipal finance secretary, Ivan de Nery, who suggested the reestablishment of number plates for bicycles, tricycles, motorscooters and animal-drawn vehicles as the only way of increasing the city's revenues by 50 percent. Defending his proposal in the Municipal Chamber, Ivan Nery maintained his viewpoint and said that, if it depended on him, he would also establish a "beach tax." Nery was severely warned by Guanabara Palace and never again granted press conferences.

In addition to its serious internal contradictions, the PDT has revealed a surprising political incompetence in its relations with the state legislature. The episode of the congressional investigating committee (CPI) for the State Central Supply Company (COCEA) reflects the inexperience of the PDT bloc and that lack of tact of Governor Leonel Brizola himself in the face of situations that clash with his power of centralization. Established to investigate acts of corruption that occurred during the Chagas administration the COCEA CPI, through the political incompetence of the PDT bloc, ended up becoming one of the principal instruments of opposition to the Leonel Brizola government.

PT May Expel 'Left' and 'Right'

The PT, which this weekend will gather its national committee to adopt some formal decisions, but especially to try to define its own course, is currently a party lost in its contradictions. Its bloc in the Chamber of Deputies--a minibloc of eight deputies--considered one of the most radical of the opposition, becomes a model of moderation when compared with the party grassroots, where Trotskyites, dissidents of the Communist Party, Socialist Convergence, Libelu, Avalu, progressive sectors of the Church and other segments of the left, in a number of factions that, according to party specialists are never fewer than 14 and could even number 20, coexist together (and badly).

Notwithstanding this situation, both leader Ailton Soares and the secretary of the party organization, former Deputy Freitas Diniz believe that the PT is paying the price of its pioneer procedure of organizing from the grassroots despite the fact of having committed many mistakes during the election campaign. According to those PT leaders, a pioneer procedure and the search for party identity associated with the existence of stepmother legislation led the party to its current difficulties.

Freitas Diniz believes, however, that restructuring the regional committees will occur naturally preceded by the preconventions that the party will hold in an informal manner at its grassroots, and for that reason gaining a reasonable degree of unity will be a question of time.

Airton Soares, in turn, says that the PT has engaged in its selfcriticism and considers the internal differences a price to pay to accredit the proposition of the party as well as a transition stage aggravated by the below-expectation election result.

The Sao Paulo section of the PT may suffer losses in the Federal Chamber if the restrictions of Luis Ignacio and the unionists who follow him against the so-called "rightists" and the "communists" of the party persist. Of the Sao Paulo deputies, Irma Passoni and Djalma Bom are with the party president. Bete Mendes, Jose Genoino and Airton Soares feel sidelined and Eduardo Matarazzo Suplicy does not involve himself in the party struggles.

Montoro To Receive Ultimatum

Vale do Paraiba--Governor Franco Montoro is going to receive an ultimatum this week. In the event that he does not heed the demands of the mayors of the municipalities of the Vale do Paraiba, a traditional PMDB stronghold, within 30 days, a caravan will be formed to ask the federal government in Brasilia for help. The demands will be carried to Bandeirantes Palace by Deputy Ari Kara Jose of the PMDB who volunteered to act as an intermediary.

During a meeting held yesterday, the mayors of Piquete, Roseira, Silveiras (PMDB), Queluz, Sao Jose do Barreiro and Cachoeira Paulista (PDS)--municipalities with less than 20,000 inhabitants--decided to establish a Front of Small Municipalities to denounce "the way the small cities are being neglected by the state government." The mayors of the Vale promised that starting tomorrow they are going to convene their colleagues from other regions to form a state front.

With the unity of the small municipalities, the mayors hope to put an end to what they term the "secretariat policy"--"camouflaged by the excuse that there are no funds." The mayor of Piquete, Otacilio Rodrigues (PMDB), explained: "It is a lie to say that the all-powerful state of Sao Paulo, responsible for almost two-thirds of the funds of the Federal Union does not have any funds to take care of the small communities." In the opinion of the mayor, what is happening "is a Machiavellian political administration of public funds because the state secretaries are taking care of only the municipalities considered their election strongholds."

The mayor of Piquete recalled that his city recently requested "two basketballs, two volleyballs and two indoor soccer balls from the Secretariat of Sports and Tourism but did not receive anything on the allegation that there were no funds available." However, that same secretariat began to build a swimming pool in a municipality in the western part of the state."

The mayors' meeting in Piquete yesterday declared that the initiative to form a Front of Municipalities emerged a month ago in Pindamonhangaba (Vale do Paraíba) during a discussion of tax reform and was implemented last week when the mayors of the region, in the presence of newsmen, expressed to the secretary of the interior, Chopin Tavares de Lima, the dissatisfaction of the small cities with the action of Franco Montoro in the governorship of the state.

The mayor of Piquete observed also that "the revolt is not gratuitous; on the contrary, it was Franco Montoro himself who, deceiving not only the voters but also those who consider themselves authentic PMDB members, promising to decentralize the state government and to put an end to indiscriminate favoritism. Four months having passed since his inauguration, what changes have occurred in Sao Paulo? It is crazy but honest to declare that if Maluf had not created Paulipetro, we would now have Montopetro."

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CSO: 3342/145

CONTINUED MILITARY SUPPORT OF FIGUEIREDO'S POLITICAL PLAN NOTED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Jul 83 p 5

[Text] Rio--There is no indication in the armed forces of a deviation from President Figueiredo's political plan. However, the willingness to support institutional normalization does not come only from the military ministers. There is really a broad opting for normal solutions divested of any extra-institutional connotation. For that very reason, President Figueiredo's request for a leave of absence this week was not cause for serious political concern in the military area.

Since 1964, President Figueiredo is the one who has the greatest support in the armed forces to carry out his own political plan and that support is assured even by those comrades of his in the army, colonels and generals, who have reservations about the measures adopted by the government in the economic area.

The figure of the president of the republic is respected as much by those who basically consider themselves his friends as by those who criticize him, having reservations about some of his ministers, as well as by those who avoid expressing their opinion.

Figueiredo enjoys practically absolute loyalty from Army Minister General Walter Pires. The minister may even differ with some points of the government but he remains in complete solidarity with and pledges unconditional support to the president. In terms of succession, he would only admit his name among the presidential hopefuls if faced with the president's choice or with a situation in which the army would have to have participation; but even under those circumstances he would not permit his name to be imposed because of ethical reasons connected with his loyalty to the president.

The president of the republic has the support of Air Minister Brigadier Delio Jardim de Mattos not only in the military area but also, and sometimes in a firm manner, in the political area.

Delio's activity in the political area began when Figueiredo presented himself as a candidate and the brigadier spontaneously decided to avoid having the candidacy of then Senator Magalhaes Pinto cause major problems of dissidence within the old National Renewal Alliance (ARENA).

Navy Minister Admiral Maximiano da Fonseca does not exercise as constant a political activity as Brigadier Delio who, at every opportunity that arises, expresses a position that also reflects the opinion of a great part of the military in the navy and the army.

Another military minister of the Figueiredo administration, of the Armed Forces General Staff (EMFA), Brigadier Waldir Vasconcelos, leaves no doubt about his position of absolute political agreement with his colleagues of the navy, army and air force, just as did his recent predecessors in the EMFA, Generals Alacyr Frederico Werner, Jose Ferraz da Rocha, Samuel Alves Correa and Jose Maria de Andrada Serpa.

One of the military men who manifest their dissatisfaction with the economic model and the activity of the ministers in the economic area, General Antonio Carlos de Andrada Serpa, is also in complete solidarity with the president in the conduct of his political plan and he is part of a broad determination to maintain and consolidate political normalcy.

Vice President Aureliano Chaves will assume the presidency of the republic during Figueiredo's leave of absence without any instability occurring in the military area that is the result of the president's leave. He is practically not going to influence the promotions of general officers scheduled for the 31st, maintaining the order of the lists of the army, air and admiralty high commands.

The vice president may even not be an option of the president of the republic and the military ministers for presidential succession but if there were any type of manifestation by a military man of any rank that would justify the solidarity of Ministers Maximiano da Fonseca, Walter Pires and Delio Jardim de Mattos around him during the period of the president's leave of absence, it would be assured. An influential military man who acknowledges the government's problems in the economic area and considers the social difficulties and even social tension to be increasing, not only in Rio and Sao Paulo but in other parts of the country, pointed out yesterday that it was not easy for Brazil to emerge from the revolutionary process from which other countries have succeeded in freeing themselves, and any retrogression could aggravate the economic and social crisis even more.

The military man, a high-ranking army officer, cited a statement by Marshal Castello Branco that "It is easy to enter a closed regime but difficult to get out."

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RELEASE OF MANIFESTO EXACERBATES DIVISION WITHIN PT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Jul 83 p 5

[Text] The internal crisis in the Workers Party (PT) intensified yesterday with the release of two manifestos that criticize the positions of the so-called unionist wing of the party led by Luis Ignacio da Silva. One of the manifestos, released in congress by Deputy Jose Genoino of the PT "left," advocates a broad party with the coexistence of the various philosophical, religious, ideological and political leanings. In Sao Paulo, another group, of the "right," criticized the party leadership, "sectarianism and political superficiality."

"The PT should be broad. For that reason, it needs to permit coexistence among the various philosophical, religious, ideological and political leanings within it based on common action. The anticommunist or antileft feeling of certain positions sidelining those with whom they disagree is inadmissible," states the manifesto released by Genoino and signed by 75 PT members, including councilmen, delegates and committee leaders of the party.

According to the document, the affirmation of the PT requires a clear position of opposition to the policy of Governor Montoro "because he is conciliating with the Figueiredo government, repressing popular protests and failing to heed the demands of the people in that which would be possible for a state administration."

The PT members identified as the left wing of the party also state in the document that the line of conduct which only attacks the state government without mainly blaming the regime for the situation and sometimes identifies with the participatory democracy of Montoro must be set aside.

"It is not enough to propose two or three parallel campaigns without over-all meaning. Nor is it fitting to focus mainly on the specific economic struggle against unemployment when broad movements are already under development, by general strike and by demand in the streets for direct presidential elections," stressed the document, in a reference to the conduct being adopted by the unionist group of the party headed by its national president, Luis Ignacio da Silva.

Sectarianism

In Sao Paulo, the group of opposition to the movement headed by Luis Ignacio--called the "organization"--released a manifesto signed by 113 members of the PT in which it levels criticism and accusations against the party leaders who are seeking to sideline congressmen and radical minorities. The document identifies the cause of the separation between the people and the party: "Sectarianism and political superficiality."

According to the manifesto, the crisis that exists within the PT "is of political origin and is the reflection of its isolation from the social and economic situation of the country." Criticizing the first document released by Luis Ignacio's group, it stresses that "historical leaders of the PT signed a sterile document, meager in content and without political directives which, reducing politics to the exercise of will, contributed to depoliticizing the party." Its leaders, it continues, "are looking for scapegoats," in addition to practicing personal relation among comrades, generalizing unfounded criticism.

About a month ago, Luis Ignacio da Silva, some of his colleagues in the leadership of the PT, intellectuals and members issued a manifesto to the rank-and file also with 113 signatures, for the movement aimed at winning the elections to the various leadership posts of the party. Three federal deputies, three state deputies, one councilman and members of the clandestine "radical left" movement were not invited to sign the document, some charged with being "rightists," others, "leftists."

For that reason, various protests arose against the "organization" or "big slate," including pronouncements and interviews by the congressmen affected by the discrimination such as Airton Soares, Sergio Santos and Marcos Aurelio Ribeiro. In addition, another group headed by Attorney Percival Maricato released a manifesto with criticism of the positions advanced by the "organization."

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RECORD TRADE BALANCE OF \$834 MILLION SET IN JUNE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Jul 83 p 20

[Text] Brasilia--On the eve of the decision on renegotiation of the agreement with the IMF, Finance Minister Ernane Galveas announced yesterday that the trade balance for the month of June reached the historic record of \$834 million. The trade balance for the first half-year totals \$2,955 billion, now lacking only \$3,045 billion to reach the target of \$6 billion by the end of the year.

The finance minister pointed out that that balance "consolidates and strengthens" the Brazilian position in the negotiations that are being carried out with the International Monetary Fund (IMF) and the international banking community because "that is one of the most important points of the program of adjustment of the Brazilian economy and also of our commitments to the fund.

"I believe this result confirms the confidence that the IMF and the banking community had already demonstrated previously with reference to the balance of payments," reiterated Galveas. "We set quite a daring target for this year. There was a certain uncertainty about the result but today I believe that both the fund and the banking community no longer have any doubt that we are going to reach even more than \$6 billion."

According to the minister, in June there was an 18 percent increase in exports compared to the same period last year, while imports, principally oil, underwent a sharp reduction. In addition, he explained, the cost of imports was high as a result of the maxidevaluation and the Financial Transactions Tax (IOF), and that discouraged some purchases abroad.

The trade balance is being achieved at the cost of sharp curtailment of imports. Brazilian purchases in June totaled \$1.168 billion, compared to \$1.244 last month. The purchases of oil have been declining appreciably and in June totaled \$603 million, compared to \$680 million in May and \$703 million in April. Oil imports in April totaled \$826 million, in February, \$628 million, and in March, \$528 million.

In June, exports totaled \$2,002 and once again the main product was coffee, with \$175 million. Last month's exports surpassed those for June 1982 by

\$312 million, while purchases were \$445 million less. According to Galveas, the trend is for Brazil to increase its average trade balance even more in the second half of the year when sales really improve.

According to the calculations of Prof Dercio Munhoz of the National University of Brasilia (UNB), the trade balance at the cost of a sharp curtailment of imports could jeopardize the viability of the national economy in a short time. In the opinion of Prof Luciano Coutinho of the University of Campinas (UNICAMP), it is not difficult to foresee an aggravation of the recession with this trade policy. And, according to experts of the government itself, the trade balance is being achieved also at the cost of accounting devices, such as "leasing-back" transactions by which state companies sell equipment abroad "on demand" and immediately afterwards lease it back.

BRAZILIAN TRADE BALANCE
(millions of dolalrs and FOB)

ITEM	JUNE		JANUARY	JUNE
	<u>1983</u>	<u>1982</u>	<u>1983</u>	<u>1982</u>
Exports	2,002	1,690	10,401	9,825
Imports	1,168	1,623	7,446	9,676
Absolute balance	834	67	2,955	149
Relative balance	71.40	4.13	39.69	1.54

Source: EXP-Foreign Trade Department of Bank of Brazil (CACEX)/DEPEC,
IMP-CIEF/FINANCE MINISTRY

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CALS STATES 1983 GOLD PRODUCTION MAY EXCEED 40 TONS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Jul 83 p 31

[Text] Brazilian gold production in 1983 may exceed 40 tons which, at today's prices, would mean \$500 million, Mines and Energy Minister Cesar Cals revealed in Belo Horizonte yesterday. According to him, that production is still small considering that "Brazil can be the great producer of the world" inasmuch as its gold reserves are in the order of 30,000 tons, "greater than those of South Africa, which today produces 700 tons annually." "We could produce 400 tons annually," he stressed.

After familiarizing himself with a gold exploitation program that Minas Gerais Metals Corporation (METAMIG) has been developing in Minas Gerais for the production of 130 kilos of gold a month from alluvium, Cesar Cals revealed that he will ask the Central Bank for a line of special financing for gold exploitation companies, "buying the gold in advance." He reported also that in his first meeting with the president of the republic he is going to give him the census of Brazilian mines prepared by the National Department of Mineral Production (DNPM).

The minister pointed out that annual gold production, which was 4.3 tons in 1979 may reach more than 60 tons in 1984. This year 32 tons will be produced in gold prospecting fields and another 8 tons by industrial mining. The Ministry of Mines and Energy is currently coordinating a population of 300,000 prospectors in more than 25 service fronts and 18 industrial mining projects involving 12 companies in 30 areas.

According to Cesar Cals, the ministry will continue to permit a "harmonious coexistence" between prospecting and industrial mining, not allowing mining permits in prospecting areas, nor permitting prospectors to invade industrial mining areas. He said that despite the fact that industrial mining is more efficient than prospecting, "the social fact of prospecting cannot be disregarded."

The minister was informed at METAMIG that the Minas governor, who encourages the prospecting of alluvium, is studying the reactivation of abandoned mines. More than 400 shut-down mines were selected and of these at least eight will go into operation again within the next few months.

DEPUTY'S REMARKS TO FORMER U.S. AMBASSADOR SCORED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Jul 83 p 3

[Editorial article: "Recalcitrant Immaturity"]

[Text] The preposterous fracas that occurred in the office of the president of the Chamber of Deputies, Flavio Marcilio, caused by the verbal and emotional outburst of Workers Party (PT) Deputy Airtton Soares against former U.S. ambassador to Brazil, Anthony Motley, reflects not only a lack of civility, incompatible with those who hold responsible public office--in this case, a seat in the national legislative branch--but also that immature vision that leads to reactive behavior expressed in slogans of the "Yankee go home" type.

As may be recalled, the origin of the unusual altercation was as follows: former Ambassador Motley had sent a letter of reply, in a courteous and respectful tone, to the deputies who had sent him a copy of a manifesto addressed to the United Nations criticizing the policy of the Reagan administration with regard to Central America. Because of that, Deputy Airtton Soares remarked that it did not befit the former ambassador to make any reply to that missive and if he wanted to express his position, he should have done so through the Foreign Ministry and not directly to the deputies, for which reason he returned an envelope to Motley with the letters sent by him to the congressmen, accompanied by some insults. Earlier, other congressmen had returned the letters, also with publicity but without such a hullabaloo.

Such a gesture by the deputy and PT leader reveals, above all, his lack of understanding, or rather, his incomprehension of the importance that is usually accorded to the members of the Legislative Branch in representative democracies such as the one that prevails for centuries in Mr Motley's country, by reason of which it is not required that foreign officials abstain from communicating directly with them, restricting any contacts to those made with the Executive through the respective foreign offices. One has to have a great underdevelopment complex to suppose that any missive, of reply, sent by an ambassador to congressmen represents "interference" in parliamentary activities, undue pressure or nonsense of that type.

On the other hand, in arguing emphatically before the former ambassador, with whom he even refused to shake hands--polite people is something else!--that "the policy of the U.S. Government does not reflect the thinking of his

country's people especially as regards Central America and the Caribbean," Deputy Soares once again shows that he is ignorant of the every-day principles of representative democracy: how does he know (by means of what so efficient researches or surveys) that the American people think otherwise, if President Reagan was elected by a resounding vote, winning in practically every state in his country? What amazing "democratometer" does the PT leader have to know exactly what the people of the United States are thinking, capable of measuring their real will, different from the presumed one based on its expression in free elections?

In the aforementioned and regrettable episode, what seems to us to merit criticism on the part of former Ambassador Anthony Motley is only that unfortunate observations of his that Nicaragua lobbies even in the Brazilian congress. Really, such a not very diplomatic statement, indeed, can be considered undue interference, whether or not it is true--which does not do justice to the characteristic balance and discernment of Mr Motley. But it received a proper and calm reply from the president of the chamber, in the following terms: "The chamber is above statements that can be considered insulting to it. This chamber rejects such statements."

From this regrettable episode it is only worth while retaining the fact that, whereas the nation is maturing, just as the political class is maturing and the armed forces are maturing on the road to the fullness of democracy, to the point of a presidential leave of absence--something formerly extremely problematical and even perilous to the institutions--proceeding in a more calm and normal manner, as occurs in the democracies; the same cannot be said, unfortunately, about the recalcitrant immaturity of some political sectors, which ranges from incomprehension of the principles of representative democracy, through the primitivism of reactive slogans, down to simple bad manners.

8711

CSO: 3342/145

NAVY POSTPONES PURCHASE OF TWO CONVENTIONAL SUBMARINES

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Jul 83 p 5

[Text] Brasilia--The Brazilian Navy's plan to purchase a design for the construction of two conventional submarines (one abroad and another in Brazil) has been suspended until the country's economic situation permits the contracting of new financing abroad and makes the implementation of this naval program possible within the priorities for the purchase and improvement of the armed forces equipment.

At the beginning of this year, with presidential authorization, the navy signed a contract with the HDW shipyards of Kiel, West Germany, in the amount of \$400 million for the purchase of a design for the construction of two submarines of the IKL class. It was established in the contract that the beginning of construction work on the submarines--the first in the HDW shipyard and the second in the Rio de Janeiro Navyyard--would be conditioned on the granting of financing that would be given by the German Government. While the negotiations to obtain the funds were proceeding, the economic crisis became aggravated forcing Brazil to resort to the IMF and paralyzing all other credit transactions abroad, including this one pertaining to the submarines, the beginning of work on which was scheduled for this month if nothing abnormal occurred.

The talks to obtain the financial resources continue with the German Government but if another submarine builder, of those that have already presented bids, offers better conditions at the moment, the navy may review its decision to purchase the German design, which at that time was the one that offered the best technical and financial advantages.

Under the program for the renovation and modernization of its floating units, the navy placed priority on the construction, in Brazil, of one schoolship (it is going to replace the "Custodio de Mello") and four corvettes, all designed by experts of the Naval Engineering Directorate; and abroad, the purchase of three new antisubmarine helicopters of the SH-3 type (which it already has, from the United States) built today under license in Italy by Augusta, in addition to the design for two submarines. In the case of the submarines, the purchase of the design includes the transfer of technology and the training of national manpower so that the second will be built in the facilities of the Rio de Janeiro Navyyard.

Analyzing the world market of submarine builders, navy experts found three classes--the German IKL, built by the HDW shipyard, the Italian Sauro, built by the Italcantieri shipyard in Monfalcone, and the French Agosta, built by the Cherbourg shipyard--that responded to the interest and requirements of the Brazilian Navy. The three shipyards have been consulted, each presented its bid, adapting its products to the conditions and technical requirements of the navy. In studying the bids, which should contain mainly the matter of training of national manpower for the production of the second submarine in Brazil and a government guarantee of financing by the country of the shipyard, the choice was made in favor of the German bid, which now, however, is suspended awaiting a solution of the matter of funds.

8711

CSO: 3342/145

ISRAELI ENVOY DISCUSSES POTENTIAL AREAS FOR COOPERATION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Jul 83 p 8

[Text] Brasilia--"I believe the relations between Brazil and Israel could be closer. But we know that today Brazil is struggling with many problems and many difficulties. And we believe that at this time we should respect what it considers best to conduct its foreign policy."

That analysis was made by the new Israeli ambassador, Rahamin Timor who presented his credentials to President Figueiredo in Brasilia 2 weeks ago. In his first press interview, exclusively with O ESTADO DE SAO PAULO, the new ambassador said that he brings a basic recommendation from his government: to seek the courses that will lead to an over-all intensification of relations between Israel and Brazil.

"The recommendation I bring is the following," explained the ambassador: "Our countries have many common areas where the level of cooperation is quite feasible. My government knows that it can share with Brazil innumerable successful and proven experiences in areas ranging from agriculture to the transfer of technology.

"It is quite true," he continued, "that Israel is a very small country. And that for us Brazil is a continent. But even so, we are sure that we can cooperate and collaborate."

Speaking excellent Portuguese for someone who only had 23 classes in Jerusalem before assuming the post, the ambassador said that his facility with our language stems from the fact that he is perfectly fluent in Italian and French, which gives him a good Latin base.

In Brazil, he has met only with President Figueiredo and Foreign Minister Saraiva Guerreiro and is due to begin his contacts in the cabinet area and other first-echelon sectors this week. Previously, Rahamin Timor headed the Latin America section of the Israeli Ministry of Foreign Affairs and in that capacity he had already been in our country twice, always on fast trips, the last one in 1980. Knowing the region well, he pointed out: "I considered it fascinating to come and serve in Brazil, especially because I know that any work well done here will have immediate and broad repercussions in all

of Latin America. We are fully aware of the leadership role that this country has in the region and to what point it can exert influence."

Alternative Energy

Although he acknowledges that there is a broad field of cooperation between Brazil and Israel in the military industrial sector, the ambassador preferred not to discuss his purposes in that regard. In a more detailed manner, he believes that that cooperation could be more feasible if directed, for example, toward the area of the aviation industry. He cited as an example the case of the Arava planes, small executive planes equipped to operate over great distances, that could serve as the basis for that cooperation. Or an exchange of experiences with the Bdek aviation industry, which became world famous because of its ability to adapt planes of a certain type, putting them on a par with more advanced types. That was done, for example, with the squadron of Israel Mirages, completely modernized by the company.

After pointing out that he fully understands the Brazilian desire to promote technological exchange through secure procedures of transfer of know-how, the ambassador stated: "Israeli technology is a little more developed than that of Brazil because Israel has serious problems of soil and climate. Brazil has many climates and various types of soil. We do not and for that reason, we developed pioneer methods of technology of agriculture, irrigation systems and the production of certain fertilizers, items that could easily serve as the basis for this new phase of cooperation we propose."

The ambassador recalled that because of the total absence of energy sources, especially oil, his country is forced to research and develop a whole program of alternative energy in a short period of time.

"We do not have oil. We also do not have large rivers that would make possible the installation of hydroelectric plants. For that reason, we are carrying out very successful research in the area of the so-called alternative sources of energy as, for example, wind energy and solar batteries. Those are other items that we propose to exchange."

Timor, who has already been in the arid regions of the Northeast especially in Ceara, pointed out also that his country has a large field of research in the production of food in dry areas, a program that could be enriched with Brazilian cooperation, which would produce concrete results for both countries in a short period of time.

Third World

The policy that Brazil has been conducting among the Third World countries is followed with interest by the government of Israel, according to the diplomat. And there is no restriction on the alliances that we have been adopting.

"Israel understands very well the effort that Brazil has been making within the Third World," emphasized the ambassador. "Principally, because Brazil is the largest developing country. And we, who follow the industrial development

of this country, understand its effort to find other markets. Because not only Brazil but all countries are seeking to expand their markets at this time.

"When Britain, Germany or France expand their markets, for example, in Africa or in Asia, everybody considers that natural," he added. "When Brazil does it, everybody considers it something different. It is nothing different. Brazil should have already done that a long time ago.

"On the contrary, Israel sees that effort as a very natural thing," concluded the ambassador. "Brazil is a country with great potential that needs to expand. For that reason, Israel understands that search for partners and considers it natural. Including Brazil's alliances with the Arab countries. We do not believe the Arab countries can absorb all of Brazilian trade. On the contrary, we believe that the more the Brazilian economy develops, the better will be the situation of Brazil. And a friend only wishes the best for another friend."

8711

CSO: 3342/145

BRIEFS

SONDA-III LAUNCHING--The Barreira do Inferno Launching Field (CLBI) in Natal launched another national rocket of the Sonda-III series at 1140 hours yesterday designed to test the stage-separation control system, as the principal and pioneer experiment in the country. The flight lasted 14 minutes and 30 seconds, attaining an apogee of 600 kilometers--670 had been anticipated. The payload worked normally, leading the director of the Aerospace Technology Center (CTA) of Sao Jose dos Campos, Major Brigadier Lauro Ney Menezes, to consider the experiment "a success." The rocket launching was delayed 1 hour and 40 minutes because 2 minutes before the beginning of the final countdown a new defect was detected in the separation shackle for the two stages. That same problem was responsible for the delay of the test on Friday. [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Jul 83 p 12] 8711

CSO: 3342/147

PARTICIPATION OF BLOC NATIONS IN OIC AGREEMENT SOUGHT

Bogota EL ESPECTADOR in Spanish 3 Jul 83 p 4-D

[Text] Colombia intensified its efforts to expand the International Coffee Market by achieving the imminent membership of Czechoslovakia and Hungary in the International Coffee Organization (OIC) Pact.

Jorge Cardenas Gutierrez, manager of the National Federation of Coffee Growers (FEDECAFE), will make another effort at rapprochement next week, hoping to persuade the German Democratic Republic to join this trade.

Cardenas Gutierrez, representing 47 countries, heads a delegation made up of representatives from Mexico, Tanzania and Zaire. It is making a tremendous effort to strengthen the OIC Pact, expand the market and increase sales by coffee producing nations.

Agreements

Yesterday FEDECAFE announced that the mission met in Prague with the minister of foreign trade and the general director of international transactions of that country. There they expressed their interest and objective of persuading Czechoslovakia to sign the international coffee agreement. The mission headed by Cardenas Gutierrez explained to Czech authorities the importance of that country's participation, along with that of the other socialist bloc countries, in coffee trade agreements. Initially that country indicated its desire to cooperate, and the groundwork was laid for reaching an agreement between the International Coffee Organization and the Czechoslovakian Government.

FEDECAFE announced yesterday that Cardenas Gutierrez laid down the possibilities and alternatives for facilitating the Czechoslovakian Government's adherence to the pact.

The Colombian delegation was accompanied by the ambassador to that country, Jorge Arango Mejia, and Nestor Osorio Londoño, the OIC representative.

Colombia, which proposed the expansion of the World Coffee Pact at the last meeting in London, established the basis for a similar understanding with the Soviet Union during the FEDECAFE manager's visit to Moscow.

At the end of its visit to Czechoslovakia, the delegation will begin another round of similar talks with government and foreign trade officials of the German Democratic Republic and the Peoples Republic of Hungary. The latter country has already expressed an interest in joining the pact, and the visit to Budapest will practically finalize the agreement.

The International Coffee Organization supported the suggestions made by Cardenas Gutierrez from the day he took office at the National Federation of Coffee Growers, proposing a radical change in the functional structures of the pact, particularly with respect to promoting coffee advertising and consumption in Europe and in the majority of the United States, where coffee sales promotions are still needed.

The efforts of this mission will strengthen the London Agreement and ensure the meeting of export quotas by producing countries, which have a right to such quotas. These ceilings will certainly rise with the negotiations that will take place in the second half of the year with Arab and socialist nations.

8926

CSO: 3348/547

FINANCIAL ASSOCIATIONS REORGANIZED IN THREE MAJOR GROUPS

Bogota EL SIGLO in Spanish 3 Jul 83 pp 1, 2

[Article by Lucy Diaz]

[Text] Colombian financial institutions will be reorganized into three large groups, according to a new classification defined by the financial reform plan that the government will submit to Congress during the next regular legislative session.

EL SIGLO learned that this reorganization will be as follows:

First, the credit establishment. It will be made up of the commercial banks, financial corporations, mortgage banks (savings and housing corporations and the Central Mortgage Bank), commercial finance companies and savings institutions.

Second, institutional investors. They are capitalization associations, insurance companies, investment management associations, and mutual investment funds.

Third, financial services entities. The plan calls for this kind of entity to provide financial services by extending credit, but these resources cannot in any way come from the public, so these institutions are absolutely prohibited from accepting deposits.

Within this classification are included general bonded warehouses, trust entities and financial leasing companies.

The plan is voluminous, containing 138 articles and taking up two enormous volumes.

In it the government also asks Congress to give it special powers to establish a specific penal code for the financial system, with the necessary legislation, which would enumerate those practices and attitudes that can be considered criminal, and set forth the corresponding penalties.

Restrictions

In other areas, the plan places ssevere restrictions on the use of credit in banking institutions by their partners, board members, employees or people close to them; it establishes clearly delineated quotas, expressed in terms of the percentage of the institution's assets, which cannot be exceeded.

It also prohibits memoranda accounts among various financial entities, and bans the ownership of some entities by others as corporations.

When a person has investments in various financial institutions, the plan stipulates that he may not own more than 20 percent of the stock of each of them.

8926

CSO: 3348/547

INFLATION DECLINES TO 20 PERCENT IN PAST YEAR

Bogota EL SIGLO in Spanish 6 Jul 83 p 10

[Text] The anti-inflation policy implemented by the administration of Belisario Betancur continues to yield positive results, and it is increasingly likely that the cost of living for Colombians will rise only 20 percent for all of 1983.

The chief of the National Department of Statistics (DANE), Alberto Schlesinger Velez, released yesterday at a press conference the figures on the behavior of consumer prices during this past June.

According to the DANE statistics, the value of the family basket for Colombians grew by 0.72 percent in the sixth month of 1983, much lower than the rate for June 1982, when the average inflation rate was 2.23 percent.

At the low-income level, that is for blue-collar workers, the cost of living rose by 0.89 percent in June of this year, while the rise was 0.28 percent for middle-income or white-collar workers.

The cumulative inflation rate for the first 6 months of this year is 9.84 percent, compared to 11.87 percent for the first 6 months of 1982. Furthermore, the growth rate of the cost of living for the first 6 months of 1983 is the lowest in 11 years, according to the same figures provided by DANE.

By sector, the price index for the food items included in the family basket rose by 0.36 percent last June; housing rose by 0.85 percent; clothing, 0.96 percent; and miscellaneous goods, 1.39 percent.

During the 12 months between June 1982 and the same month of 1983, the rise in the consumer price index was 20.46 percent, much lower than the 24.19 percent recorded between June 1981 and June 1982.

By city, DANE reported that in Bogota the cost of living in the sixth month of this year rose by only 0.05 percent; in Medellin the rise was 0.52 percent; in Cali, 1.65 percent; in Barranquilla, 1.96 percent; in Bucaramanga, 0.99 percent; in Manizales, 1.01 percent; and in the city of Pasto, 4.02 percent, the largest increase in the prices of the family basket.

The fact that the capital city of Narino experienced the highest rise in the cost of living over the past months is due to the negative impact on that region of the exchange crisis of Ecuador and the devaluation of the sucre, with the accompanying increase in smuggling.

In general, the chief of DANE emphasized the positive results of the anti-inflation policy pursued by the administration of Belisario Betancur, adding that with the partial figures for the middle of the year, it is increasingly likely that inflation will come down to 20 percent for the full year.

Cumulative Figures

For the first 6 months of the year, the consumer price index registered a growth of 9.84 percent for middle-income families, and 11.87 percent for low-income families. These figures are the lowest in 11 years, asserted DANE chief Alberto Schlesinger.

So far this year, food prices in Colombia have risen by 14.3 percent, lower than the 1979 figures; housing has risen by only 7.38 percent, while clothing prices have climbed 6.72 percent and miscellaneous goods, 1.49 percent.

DANE reported that the month-to-month changes in the price index for 1983 point to a lower growth rate than in the same months of previous years, except in April, which had the largest growth rate of the 6-month period.

During the first half of 1983, in the housing sector rents showed a favorable trend with respect to the same period of the previous 4 years, growing by only 5.86 percent, as opposed to the 15.01 percent of 1982, 17.81 percent of 1981, 14.43 percent of 1980, and 12.8 percent of 1979.

The city with the highest increase in average prices during the 6-month period was Barranquilla, and the city with the lowest rise was Manizales.

The principal food items that rose the highest in price between January and June, compared to December 1982, were: meat, brown sugar, panela, onions, cabezona, carrots, tomatoes, peas, bananas, common sugar, potatoes and corn.

The principal products whose prices fell during the same period were: dry beans, avocados, lentils, coriander and corn on the cob.

Cumulative Percentage Variation		
First 6 Months		
First 6	Level of Income	
Months	Middle	Low
1973	13.79	17.26
1974	13.23	14.94
1975	11.93	13.57
1976	12.64	13.05
1977	23.51	28.81
1978	12.81	12.73
1979	14.40	16.50
1980	13.75	15.33
1981	15.68	16.94
1982	14.40	14.65
1983	9.84	11.87

8926

CSO: 3348/547

IMPORTANCE OF NEW INTERNATIONAL SUGAR AGREEMENT STRESSED

GEPLACEA Officials Interviewed

Havana BOHEMIA in Spanish 10 Jun 83 No 23 pp 55-56

[Interview with GEPLACEA officials Jose A. Cerro and Altagracia Rivera by Magda Martinez: "A New International Sugar Agreement"; date and place not specified]

[Text] At a time when two events of marked importance were taking place: the negotiation of a new international sugar agreement and the current rise in rice prices on the world market, Dr Jose A. Cerro, adviser to GEPLACEA (Group of Latin American and Caribbean Sugar Exporting Countries) Executive Secretariat for Technology, were invited to attend the Sixth Seminar of the Cuban Institute of Research on Sugar Cane Byproducts (ICIDCA). We did not fail to take advantage of the occasion and asked for an interview to go into the points mentioned above and also the possibilities there are for diversifying production.

GEPLACEA is a regional organization that was founded in 1974 and is composed of 21 countries in the area that are producers of valuable sugar cane and the Philippines with the status of observer. It represents approximately 52 percent of the world's producing countries and comprises 32 percent of world production, which is equivalent to 50 percent of the world's exports.

BOHEMIA [B] asked Dr Jose A. Cerro [JC] the first question: What are the factors that influence the great variability sugar prices are subject to?

JC: Prices have been marked by their great variability, which is the result of an unfavorable statistical situation and product surpluses in relation to consumption.

Specifically, they are the consequences of the protectionist policies of certain industrially more advanced countries. In this domain the attitudes of the European Economic Community (EEC) and the United States are conspicuous.

B: How was the EEC able to transform its role in the international market to the point of becoming the second biggest exporter in the world?

JC: The EEC adopted fairly complex politico-economic measures which thus enabled its internal producers to increase their production plans to attain a given volume and to protect them with minimum prices or subsidize their exports. This resulted in a sizable increase in the planted surface area and increases in yields. The result: The EEC has gotten to be the biggest producer of sugar in the world.

B: What effects will this whole policy have on the market in the next few years?

JC: At the present time an international treaty is being discussed. One of the reasons why the EEC has increased its share of the market lies in the fact that it is not a member of the treaty signed in 1977. Therefore, it is not limited in its export volume. We feel that the EEC's attitude in connection with this was one of the harmful factors of the last 5-year period. However, there is a good chance that it will join the new treaty and will have to adjust to the same discipline.

B: How is GEPLACEA defending the treaty that is being negotiated and why?

JC: GEPLACEA is of the opinion that regulatory procedures must be operative in a market with the characteristics of the sugar market.

We are in favor of agreements that attempt to stabilize prices and that are profitable for producers and fair for consumers. This would permit us to provide security for our industries and assure us sustained growth.

The treaty that is currently in effect has suffered a number of shortcomings, among them the United States' delay in ratifying it and the absence of the EEC. Also its occasional lack of effectiveness in controlling the market.

If all goes well, the new treaty will go into effect at the beginning of 1984. The EEC has backed a treaty based on stocks on hand. We have some criticisms to make about that. GEPLACEA has expressed itself in favor of one with export quotas based on special stocks. Another point is that the developing countries should be considered in different terms from other countries.

Furthermore, the use of economic measures for political purposes should be controlled. The elimination of Nicaragua's share of the U.S. market is significant enough.

B: These past few days we have noted a rise in prices, one that has amounted to 11 centavos. What is your opinion regarding this tendency and do you believe that it will continue?

JC: Depressed for quite some time, since mid-April prices have begun to rise until they have reached the level of 11 centavos. There are a number of reasons. Estimates have appeared with reference to reductions in the production volumes of the big exporting countries: South Africa, India, Thailand and the EEC. In addition, there have been delays in some deliveries that have contributed to this tendency.

Moreover, there are more than two positive elements that might offer a certain amount of optimism as to the evolution of prices in the short and long run. One of them is the new treaty and the other is the first estimate for the 1983-1984 sugar cane season. After 3 years of sugar production in excess of consumption, we hope that the roles will be reversed in this coming season.

B: It's obvious that, as far as sugar products are concerned, the situation is getting more and more critical in the developing countries.

JC: That's a real fact. Not only sugar producers, the prices of all basic items have been kept low. The world economic crisis is becoming acute because of the highly protectionist measures of the industrialized countries.

GEPLACEA views this problem as a whole and the solutions to it are complementary, not alternative. In addition to protecting prices, we must look for better methods of marketing, better markets, diversification. We must be more efficient in farm production. In that way costs will be lowered. Also the diversification of byproducts derived from subproducts.

B: With regard to that point, we would like to know from the industrial point of view how you view Cuba's supremacy and the importance you attach to ICIDCA as concerns its pledge to diversify production?

And then Altagracia Rivera answered our questions: As far as research and development are concerned, ICIDCA is perhaps one of the most advanced institute in the region. It is the only one devoted to the study of byproducts. Not only is it a pioneer, but also an example for the rest of the countries of the region. With its practical achievements, ICIDCA's 20 years afford a concrete example.

B: What is the situation the producing countries are in with regard to byproducts?

Altagracia Rivera: The development of byproducts in Latin America is not in general very big. The biggest effort is here, in Cuba. The second example is the case of Brazil and its exclusive program for using alcohol as a fuel. Then there are several lines of pulp, paper and panels or boards in Venezuela and Mexico. But they are not in a phase as extensive and research-intensive as has been the case here.

B: Do you believe that the production of byproducts can be turned into a way of resolving market instabilities?

Altagracia Rivera: It is one of the alternatives to be studied and implemented. We must create the conditions for this by starting with the improvement of efficiency in the industry. By turning it into a real sugar cane industry.

In coordination with Cuba both of us are now going to organize a seminar on byproducts and subproducts to get those who have not already done so to reach decisions. This seminar will be held in September 1983 and we will try to get high-level Latin American and Caribbean personalities from this sector

to attend it. It is a way of orienting them as to what indicators have to be taken into account and what the conditions are for continuing to diversify the industry.

Foreign Trade Minister Interviewed

Havana BOHEMIA in Spanish 10 Jun 83 No 23 p 75

[Interview with Cuban Minister of Foreign Trade Ricardo Cabrisas by PRENSA LATINA reporter Nilda Navarrete: "Cuba in the Face of the New Sugar Treaty"; date and place not specified]

[Text] Between 2 and 20 May of this year the first round of negotiations for the conclusion of a new international sugar treaty was held at the Palais des Nations [UN headquarters] in Geneva.

For Cuba, a developing country that depends to a large extent on its sugar sales to obtain the convertible hard currency needed for its national economy plans, the occasion was somewhat more than a forum where different points of view are raised.

The price of sugar had been plummeting these past few years and exporters, even the most capable ones, were selling sugar at half their production cost.

During the Geneva conference, the second session of which will be held this October and which is sponsored by UNCTAD and the International Sugar Organization (ISO), it was shown that a new treaty was necessary and that it should be concluded soon.

PRENSA LATINA [PL] has questioned Cuban Minister of Foreign Trade Ricardo Cabrisas [RC], one of the most dynamic figures at the UN Sugar Conference and whose opinions greatly influenced the course of the debates, with regard to these problems.

PL: What was your impression of the progress made at the UN Sugar Conference?

RC: The low price situation in the international sugar market and the need for an agreement that will enable us to overcome the current crisis through effective regulation, among other measures, of the sugar the market is supplied with have determined the constructive position assumed by the participating countries in the course of the first 3 weeks of the negotiating process.

The underdeveloped sugar exporting countries, and particularly those that export that product as their chief source of convertible hard currency revenue to partially finance their development, played an active role in defending their legitimate interests, with the constructive dialogue among all the participants and the in-depth analysis of international sugar problems that have so far marked the debates creating a climate that is favorable to the objectives of this important conference.

PL: Which points were the most prominent at the conference?

RC: The most conclusive points in terms of the activation of a new treaty are precisely those that commanded the preferential attention of the conference.

This was the case with the system for regulating the amount of sugar the market is supplied with, which, due to the complexity of the matter and the importance of whatever kind of agreement is finally adopted, has required and will continue to require long days of work to minutely adjust each one of the elements that make up the system in question.

As you know, two specific proposals are under discussion, one of which is the conventional one, which conceives of the regulatory system as one that operates through export quotas and sugar inventories, although these factors would play a bigger role than they have in previous agreements, including the treaty now in effect.

The other one involves a concept based on an exclusive system of accumulation and elimination of stocks as the market may require. Both systems pursue the same objective: a sugar price that is really profitable for the producers and takes into account consumer interests.

Despite the fact that both proposals pursue the same goal, the latter, proposed and defended by the EEC, presents a number of uncertainties as to its practical implementation.

This is especially true in the case of us underdeveloped countries, which would have to accumulate large quantities of sugar, the accomplishment of which would, moreover, due to the difficulties created by inadequate storage facilities, involve financing that is costly and hard to obtain.

PL: From the point of view of Cuban policy, what is the most advantageous position?

RC: Cuban sugar policy was defined in terms of the economic and social guidelines approved at the Second PCC [Cuban Communist Party] Congress and it is being materialized through the 5-year plan and the annual plans for the national economy.

The plans it involves take into account the commitments for supplying sugar that stem from our special agreements concluded with the socialist countries, on the one hand, and, on the other, our participation in the so-called free market, in accordance with the export volume that is permitted on the basis of the appropriate regulations contained in the present sugar treaty and those that may result from the negotiations currently in progress.

On the basis of the above, we favor a treaty with realistic procedures that will tend to stabilize sugar prices on the world market at levels that will enable us to cover the costs of production and leave us with a margin of profit for the economic development of the country.

PL: How does Cuba's participation in the International Sugar Treaty, which is a system of capitalist control, fit in with the socialist structure of its economy?

RC: I have already referred to the special agreements Cuba has with the socialist countries and hence the fact that it is perfectly feasible for us to actively participate in international sugar agreements.

As you know, the current treaty regulates the so-called free market; that is, it takes into consideration the special agreements already referred to. Therefore, the treaty regulates our exports to market economy countries.

At the present time our country has a quota of 2.4 million metric tons a year, a permissible amount according to the provisions of the treaty, considering the prices that prevail on the sugar market.

PL: Why is Cuba in favor of agreements on basic products, as it has declared at UNCTAD conferences?

RC: Actually, Cuba's position on international agreements on basic products is well-known not only in UNCTAD, but also in other international forums.

Bear in mind that the underdeveloped countries are in general producers of raw materials and importers of manufactured items, and Cuba cannot avoid this situation in spite of its trade with the socialist countries and in particular because of the extent to which it depends on sugar.

This is why a new sugar treaty must be an effective agreement that can achieve profitable and stable prices in the sugar market.

PL: Do you believe that the EEC will enter into a new international sugar agreement?

RC: Actually, all of us sugar producing and exporting countries are interested in the adoption of a new sugar agreement that will guarantee a discipline of market activities that results in fair price levels and avoids the dramatic fluctuations and periods of depressed prices that are typical of this basic product.

This discipline has only been partially present in the current treaty due to the EEC's failure to participate in it and this has constituted a heavy burden for the exporting countries that signed the treaty, in particular the underdeveloped countries.

However, on this occasion we noted with satisfaction a much more constructive and understanding attitude on the part of EEC representatives.

The main problems we have noted in the system proposed by the EEC and the difficulties it would involve for countries which, like Cuba, essentially depend on sugar exports were raised at the conference.

We feel that these meetings have been useful and have permitted us to progress in finding solutions that will enable us to guarantee a new treaty with universal participation.

Naturally, there is still much work to be done in reviewing, negotiating and outlining the whole business, but we are optimistic as to the future of a new treaty with the participation of the EEC.

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CSO: 3248/1028

HEAD OF CHURCH DISCUSSES ROLE IN COUNTRY

Santo Domingo LISTIN DIARIO in Spanish 11 May 83 p 8-A

[Interview with Msgr Nicolas de Jesus Lopez Rodriguez, archbishop of the city of Santo Domingo, by Eunice Lluberes: "Archbishop Projects Image of Strong Leadership"; in Santo Domingo; date not given]

[Text] From his noble bearing there emanates a vibrant force that envelops all who surround him, and this is perhaps the secret of his success with the people. One immediately recognizes in him a man who personifies action, decisiveness and leadership.

Msgr Nicolas de Jesus Lopez is, indisputably, one of the most vigorous figures of the Dominican church [reference here is to the Roman Catholic Church].

These characteristics, his solid ecclesiastical training and a proven skill as an administrator explain why, in 1981, although he was the youngest of the country's bishops, Pope John Paul II appointed him archbishop of the city of Santo Domingo.

His 22 years with the church have been replete with community-wide activity. He gives the impression of being a man who has succeeded in serving God while at the same time making the most of his own humaneness and of those around him.

He is open, easily approached and not given to standing on formalities. His regular attire is simple by comparison with the pomposity of that of some princes of the church. But the styling of his black cassock, of his jacket and of his white cuffs fastened with cuff links is unmistakably elegant.

His powers of retention are remarkable. He immediately recognized our press photographer Napoleon Leroux and greeted him familiarly by name with one of his brisk handshakes. He has seen him regularly at official functions. This is one of the charms with which Monsignor captivates his parishioners.

The interview took place in his colonial home on Calle Pellerano Alfau, in front of the cathedral. We spent almost 1 hour in his study, which is jam-packed with books of the most diverse natures: Novels, poetry, history, theology. He is a voracious reader.

He is an eloquent man. His gestures seem a vital part of his conversation. He opens his hands, fingers a paper clip, describes an arc in the air, or raises a finger pensively to his forehead. He is never still. He is the quintessence of expressiveness.

Tall, strong, agile. His thin lips open in a broad smile or contract in a straight line that reveals determination and firmness. He embodies both the man who is open to all others and the dogmatic man. Reasoning and unreasoning. Understandable facets in one who preaches love and upholds immutable principles of faith.

Behind his eyeglasses, his dark eyes sparkle with intelligence. And above them, a forceful forehead topped with straight black hair, neatly combed.

Monsignor's childhood was a severe one. He was born 46 years ago into a humble family in Barranca, a rural district between La Vega and Villa Tapia.

He was one of 16 offspring, until 3 and 1/2 years ago when one of them, Dr Guarionex Lopez Rodriguez, a well-known physician, died. They were eight girls and eight boys. Almost all of them studied in the primary school of La Vega, and the girls in the College of the Immaculate Conception.

They managed to get ahead and educate themselves, with a considerable effort on the part of their parents, who lacked sufficient economic resources and who, moreover, had to cope with an adverse political situation, in that Trujillo was persecuting the mother's family.

In 1950, he entered the St. Thomas Aquinas Seminary and studied for the priesthood until 1961, when Msgr Francisco Panal ordained him a priest.

He worked in the seminary for 2 years, then was sent to Rome to study for a degree in social sciences. He returned to the country during the April uprising and worked, in the succeeding years, in the bishopric of La Vega, the chancery, the general vicariate, as parish priest in the cathedral, and as head of the pastoral staff of the diocese.

At the age of 41, Pope Paul VI appointed him the first bishop of San Francisco de Macoris. Prior to then, the entire zone was under the jurisdiction of the bishopric of La Vega. It thus became his task to initiate the Northeast Diocese.

There, he devoted himself to organizing a bishopric, assembling a curia, and putting his diocese into operation.

He was taken by surprise when, in 1981, Pope John Paul II appointed him archbishop of the city of Santo Domingo, to succeed Cardinal Octavio Veras, who resigned at the age of 75, the age at which the church asks that one's office be placed at the disposal of the pope.

As a child he was wont to say that he wanted to be a lawyer, but with his frequent visits to the College of the Immaculate Conception, where some of his friends helped in the officiation of Masses, his resolve began to waver.

At some of these celebrations, he felt himself especially drawn to the priesthood. This was the point of departure toward his vocation, which he qualified for in the seminary.

Monsignor comes from a deeply religious family. His parents and his grandparents were outright practitioners of Christianity and devoted to its principles of faith.

He was ordained a diocesan priest, fired by the call of a ministrant life style, its total commitment, generosity and dedication to a noble cause.

As archbishop, his work has to deal with the coordination of all the activities of the Dominican church.

His view of the church is an up-to-date and open-minded one. And on this aspect, he spoke at great length in this interview.

[Question] What is your view of the social role of the church?

[Answer] The church has a fundamental mission, which is the one recommended by Christ--a mission that could be summarized in the preaching of the Kingdom of God, or, in other words, the spreading of the message of Jesus to the humankind of all eras. In this respect, the church has a mission that will never end. This explains its having been born in Palestine and spread throughout the entire world.

I have said that the principal mission of the church is to preach the Gospel. This is the task Jesus entrusted to the apostles, as is clearly stated in the Acts of the Apostles. As the material needs of communities began to grow, the apostles tried to deal with them, and this led to their neglecting the preaching role that Christ had entrusted to them. It is an interesting fact that it was the apostles themselves who tried to resolve this problem by appointing members of the communities involved as their assistants.

[Question] Do you believe the church's social role is a necessary one?

[Answer] The social role of the church is an absolutely necessary one, although it must be said that it is not a role befitting the church. The church is part of a community, is responsive to it, and is not a foreign element. It functions as a service to the community, even though its fundamental purpose is to convey to the community the Word of God.

Some communities require that prior work be done along this line; the first task may well be to feed the community or to provide it with a school. The church is aware of this, above all in these areas of the world, and must respond responsibly and definitively to this reality.

[Question] In what direction has your ecclesiastical work been oriented?

[Answer] I worked in La Vega for 15 years and did everything, but I have marked out for myself two areas of interest: The family and youth.

I feel compelled to work with the family because I come from a very numerous one, which taught me more than any university has done. The fact of having shared with so many brothers and sisters, of having had parents who guided us, oriented us, has yielded me many satisfactions.

I am a staunch believer that the family must be defended. I see an ongoing rise in the number of divorces; we have now reached a rate of 50 divorces for 100 marriages. I am convinced that it is preferable not to marry persons who lack the ability to stay married. I am convinced that the church must consecrate marriage and that the persons involved must clearly show that they accept religious marriage as a matter of conviction and not as a mere social amenity.

[Question] And as to youth?

[Answer] Another of my preferred areas of work is youth, for whom I feel an immense affection. I have worked very closely with young people. In the diocese of La Vega, I was adviser to the youth pastorate, and we were in contact with a large number of clubs.

Personally, I am greatly stimulated by this work. Upon my arrival here I undertook the creation of a youth center, a place where all work with young people can be coordinated. It is strange that nowadays there should be talk of all these defects or attitudes of abandonment of the world of religion on the part of youth. My view is totally the opposite. When one begins to grasp their thinking, cultivates their friendship and tries to learn what is behind those rebellious attitudes, one discovers an interesting world, a very receptive one to spiritual values. The young person is very demanding of evidence; he or she wants authenticity.

Youth wants that we leaders be authentic, that we endeavor to live in accordance with the message, and that, for me, is a fundamental value. I am impressed by youth's capacity for generosity.

[Question] And as for yourself, what kind of person are you?

[Answer] I am a person who has never shirked any kind of work. As they say in the rural areas, I am "a dray horse as well as a saddle horse." When I am in the countryside, if I must ride a donkey I ride one; if I must go about on foot or in a car I do so. I have no hang-ups.

For the most part of my life I have been in contact with rural people. I have just completed, in March, 22 years as a priest and I feel that I am a rustic. I was born in a rural environment and I identify with rural peoples.

I am proud to be a Dominican rustic and from the Cibao, because it is perhaps in the rural areas that the country's greatest values are to be found--the sense of loyalty, of honesty, and, of course, of religion. These are the values we find in our rural people, men and women alike, admirable people for whom I harbor a profound veneration, because they have taught me so much.

[Question] Monsignor, you in no way resemble a rustic.

[Answer] But I was born and raised in the country. I have merely had an opportunity to develop culturally. From my infancy, I was in contact with rural people, until I emigrated to the city. I must say that, although I identify so closely with the people of the countryside, I am prepared to work with everyone, from laborer to scientist. I open my priestly heart to everyone; I have no reservations in regard to work.

I am prepared to receive any and all persons alike. I am not a person who leans on formalities; I am easy to talk to, accessible, and do not complicate things. I live a straightforward life; there is no underhandedness, duplicity or falseness in my entire being. I consider myself an honest man in thought and in action. I believe that the way of truth is the shortest, most direct way. I present my credentials exactly as they are and I play my cards openly and above board. That is my life style and I like everyone dealing with me to be like-minded.

9238

CSO: 3248/834

CHAMBER OF COMMERCE ISSUES STRONG CRITICISM OF DUARTE

San Salvador DIARIO LATINO in Spanish 23 Jun 83 p 11

[Text] Because of the seriousness of the statements attributed by United Press International to Jose Napoleon Duarte, which he has been unable to counter satisfactorily, and because it is a matter of undeniable national importance, the Chamber of Commerce and Industry of El Salvador has the following thoughts:

In the middle of last week, the national press reproduced a news cable from the UPI about statements made by Jose Napoleon Duarte, presidential candidate of the Christian Democratic Party of El Salvador, a cable that had been published in the North American press on Monday 13 June.

In those statements, Duarte, beating the war-drums, threatened--just before the official visit to the United States by President Magana and his retinue--that if his party did not win in the coming elections, and therefore if he were not elected president of the republic, he would go underground with his supporters. In other words, he would join the armed struggle that Marxist communism has, for several years, waged against our country.

In belated publication here in our country's press on Thursday 17 June, Duarte says that his remarks were "deliberately distorted", that he does not believe in violence as a political tool to take power, and that the headlines used by the media on the news item have nothing to do with his way of thinking and behaving.

That is the basic content of his clarification. The rest, the other four lyrical paragraphs in which he attempts to prove that he is democratic are just self-serving propaganda filler, space that could have better used for something more precise, clear, and pertinent to the news item he was attempting to deny.

If the news in the UPI cable--the seriousness of which no one can miss--were false or distorted, it would be expected that the aggrieved party would make an immediate clarification, and as we have said, make it clear, precise, and pertinent; not simple statements about "premeditated distortion" that explain nothing, leaving many questions open.

As the only evidence in his defense, Duarte affirms and states categorically that he does not believe in violence as the political means to power. Here are some irrefutable examples:

1.--On 25 March 1972, when Col Benjamin Mejia led an ill-fated rebellion against then-President Gen Fidel Sanchez Hernandez, Duarte spoke to the Salvadoran people on the radio, demanding their support for the military uprising, and asking them to scatter nails and tacks in the streets to keep army transports from taking reinforcements to the barracks that remained loyal to the government. At that time, Duarte undoubtedly believed in violence as a means to power.

2.--Oddly, in his book "Communitarianism for a More Humane World", on page 32 he criticizes the armed forces' way of handling social conflicts through the use of violence or the threat of direct physical action. Carrying his criticism further, he declares, "The armed forces' decision in 'taking power' is unilateral and doctrinarily contrary to the right of self-determination of peoples. It is, in effect, an application of the 'might makes right' behavior reminiscent of feudalism barbarism, which still exists in our society, where adulation, greed, and the temptation of power and glory rule over the most noble efforts of civilized people's" (Page 52).

Nevertheless, all the people of El Salvador know that Duarte and his Christian Democratic Party arrived at the "taking of power" in 1980, taking advantage of an act of violence by the Armed Forces, which had called upon them for help.

3.--Making use and abuse of the power unlawfully held by the junta, Duarte used violence in ordering a series of illicit actions, such as the surprise armed occupation of rural property and private banks, before the announcement of the decrees on agrarian reform and nationalization of banks. In an equally violent and illegal way, he destroyed the constitutional order of the republic, making the realization of his political goals easier.

4.--Finally, and with regard to his statement that he does not believe in violence as a means to power, in his book which we have already cited, he says exactly the opposite. On page 138, after expounding on the conditions of a maladjusted society, Duarte justifies the violent taking of power by the Christian Democrats with this forthright statement, "Then the taking of power is a requirement of conscience for those who have in their hands the opportunity to begin the communitarian process."

Duarte's intellectual and emotional fickleness gives the lie to his emphatic statement against violence, the basis of his supposed way of thinking and behaving. That unique and inconsistent evidence about his personality cannot refute the UPI news story.

The Chamber of Commerce and Industry of El Salvador, concerned about the future of our country, can do no less than point out the flagrant contradictions in a policy that today denies violence, and in its course of development and standards of government used it to destroy free enterprise,

precipitating the country--in a preview of what communitarianism would be like--into a system of nationalization, social reforms, and coercive measures that have done profound damage to the national economy.

San Salvador, 22 June, 1983

8587

CSO: 3248/993

SEVERAL PARTIES ASPIRE TO ASSEMBLY PRESIDENCY

San Salvador LA PRENSA GRAFICA in Spanish 24 Jun 83 pp 2, 25

[Text] Delegates to the Constituent Assembly revealed yesterday the aspirations of the various political parties to capture the presidency of this assembly, declaring that there is no possibility of the Christian Democrats obtaining a majority for this administrative position.

They also said that they are following closely the concern of various of the present members of the assembly's directorate who aspire to occupy the presidency that Major Roberto D'Aubuisson Arrieta will probably leave when the political constitution is proclaimed, according to statements made by the politician himself.

Among those aspiring to the presidency of the assembly are Hugo Carrillo, from the National Conciliation Party (PCN), who has great ambitions but is not the ideal person for this position, since according to the delegates there is another candidate, Dr Rafael Moran Castaneda, with an extensive work record in the assembly. They indicated that the candidate from the Christian Democratic Party is Julio Adolfo Rey Prendes, who is also interested in the vice presidency of the republic. They also mentioned Dr Guillermo Antonio Guevara Lacayo. The informants stated that at a later date they would explain why they believe that the Christian Democrats will not succeed in securing this position in the assembly.

The candidate of the Salvadoran Authentic Institutional Party (PAISA), Dr Maria Julia Castillo, has a strong possibility of attaining this position. The candidate for the presidency of the Constituent Assembly from the Democratic Action (AD) is Dr Luis Nelson Segovia, a circumspect man with a penchant for discipline, they pointed out.

There is no possibility of the Nationalist Republican Alliance (ARENA), nominating a candidate for this position since they would be the party relinquishing the presidency, explained the politicians, "unless they are content with other positions besides the presidency, inasmuch as the whole directorate will be restructured," they said.

Why the PDC Won't Occupy the Presidency

Later they commented that the PDC (Christian Democratic Party) won't occupy the presidency because Dr Castillo Rodas is a strong contender for this position and "this being the case, PAISA would not cast its votes with the PDC and we do not believe that ARENA would ally itself with the Democrats; so, 24 votes from the Democrats and possibly those of the AD will not constitute a majority, since we believe that the PPS [Salvadoran Popular Party] will ally itself with PAISA," stated the deputies, and the PCN won't ally itself with the PDC either.

At the present time the modality of the election would vary in regard to the number of votes to be cast by the blocks of the different parties. When we elected D'Aubuisson, they pointed out, voting was as follows: PCN, 14 votes; ARENA, 19 votes; PPS, 1 vote, for a total of 34 votes for Major D'Aubuisson, they asserted.

Finally, those members of the Constituent Assembly who commented said that if the current president of the Constituent Assembly resigns, this will create a tremendous power vacuum, since D'Aubuisson would cut adrift his friends in the directorate, for which reason it is considered almost sure that if D'Aubuisson should resign, a tense political mood would prevail in the assembly, thus generating also political speculation, they concluded.

9907

CSO: 3248/997

SCIS ASKS FOR JOINT EFFORT TO KEEP PRICES DOWN

San Salvador LA PRENSA GRAFICA in Spanish 24 Jun 83 pp 3, 34

[Text] The need for a joint effort to avoid altering the prices of basic commodities or goods for popular consumption was declared by the Salvadoran Association of Merchants and Industrialists (SCIS).

The text of the message received yesterday is as follows: "The SCIS calls for careful consideration in order to avoid the rise in prices of the products not affected by the stamp tax.

The summons is made by the SCIS in view of the fact that by means of the mass communications media various sectors of society have blamed the merchants, anyone who owns a business, for this increase, when in reality all this is due to factors that, in many cases, are beyond the control of the businessmen. Nonetheless, a joint effort is needed so that the products, specifically the basic ones, those for popular consumption, will not change and will reach the consumer at prices determined by the norms established by the minister of economy.

The SCIS, having foreseen this problem, went on record against the government's measure of establishing new tax packages in order to collect more revenue for the country's treasury and thus be able to pay budget expenditures. We said that if this measure were approved the problem would be solved only temporarily because in the long run it would lead to an acute inflation that would affect all the sectors. In practice such a thing is already happening, and there is no way, or there is no apparent formula, to solve the problem. Nor is it expected that at the end of this emergency period, the prices of products affected by the stamp tax will be the same as they were before 1 June.

We believe that this is not the proper time to blame a certain sector or sectors; on the contrary, we should all make an effort to make this desperate situation disappear gradually before the assault of the hard-working Salvadoran people. It is for this reason that we summon everyone to reflect, with the purpose of achieving national harmony and well-being as the first priority.

Objections

We want to mention specifically the particular case of the day honoring teachers. Our dedicated Salvadoran teachers need this day of rest, but we see

no reason why all public employees should have this day off. This would be all right during normal times, but let us remember that the situation the country is going through is very critical and it is necessary for the government to cooperate and avoid having so many holidays for public employees.

What is the cost to the public of a day of idleness? We believe that a one-day delay in the various activities costs a lot of money, and we cannot afford such luxuries at this time.

The SCIS maintains that it is necessary to revise certain judicial instruments in order to avoid loss of time due to too many holidays."

9907

CSO: 3248/997

COUNTRY SECTION

GUADELOUPE

FIDOM ALLOCATES FUNDS FOR DEVELOPMENT

Pointe-a-Pitre FRANCE ANTILLES in French Jun 15 83 p 12

[Excerpts] The initial 1983 appropriation of the Overseas Departments Investments Fund [FIDOM] was divided up by the FIDOM steering committee meeting on Friday, 3 June, 1983 under the chairmanship of Georges Lemoine, secretary of state.

Because of the urgent need for funds, a partial committee had already funded several projects for French Guiana, Martinique and Guadeloupe on 18 May.

Here is a breakdown of the activities that will benefit from the assistance of the Investments Fund. The total is over 125 million francs.

Guadeloupe:

--Irrigation of Grande Terre	3,000,000 Fr
--Land reform: requisition of sugar cane transfer centers	1,250,000
--Land improvement	500,000
--Plan to revitalize the sugar economy	8,050,000
--Inventory of fresh water aquiculture sites	50,000
--Study to develop the Grand'Anse Deshaies area for tourists	500,000
--Location of a small-scale production zone in Saint-Claude	621,250
--Development of a small-scale production zone in Deshaies	<u>140,250</u>
	14,111,500 Fr

Martinique:

--Development of the Monsieur River (2nd section)	550,000 Fr
--Development of the Dillon Plain	1,000,000
--Irrigation of the southeast	900,000
--Creation of new farms	1,200,000
--Plan to maintain the sugar cane crop	7,100,000
--Opening of roads and paths through the forests	1,000,000
--Development of Front de Mer in Fort-de-France	950,000
--Interest in the company capital of SEM Sucriere	<u>600,000</u>
	13,300,000 Fr

Guyana:

--Agricultural development plan:	
Investment assistance	6,325,000 Fr
Technical assistance	1,600,000
Studies, experiments	700,000
Guarantees and additional guarantees	3,375,000
--Roads into logging areas	1,250,000
--Creation of the European Wood Center of Guyana	150,000
--Inland highway: Apatou road	750,000
--Aerial photographic coverage of developed agricultural areas	<u>104,500</u>
	14,254,500 Fr

Joint Activities:

Of primary interest are:	
--A special effort to protect inhabited areas from flooding	4,000,000 Fr
--Industrialization assistance (equipment and employment bonuses)	45,000,000
--Promotion of tourism	400,000
--Development of renewable energy sources	3,400,000
--Geothermal energy	500,000
--Support for scientific and technological research	1,475,000
--Loans to real estate companies to acquire land zoned for subsidized housing	2,000,000
--SATEC [Technical Aid and Cooperation Company]-Development: partial responsibility for technical activities	5,500,000
--Air service to Mayotte	5,000,000

The steering committee also allocated the 1983 FIDOM departmental appropriation:

--Guadeloupe	25,381,000 Fr
--Martinique	26,391,000
--Guyana	16,445,000
--Reunion	32,968,000
--Saint-Pierre et Miquelon	3,780,000
--Mayotte	<u>10,960,000</u>
	115,925,000 Fr

9720

CSO:3219/36

BRIEFS

BIRTHRATE DECREASES--Guadeloupe has also been affected by the declining birthrate. It is easy to compare the birthrate of France and Guadeloupe. The birthrate, i.e., the number of live births per 1,000 individuals, went from 40 in 1960 to 19.6 in 1980 in Guadeloupe, while in France it went from 18.6 to 12.1. Therefore, around the sixties Guadeloupe had a high birthrate and it experienced the same problem as other developed countries--its birthrate dropped even though it is still slightly higher than the rate in France. It should also be noted that there has been a decline in infant mortality in Guadeloupe. Thanks to an improved standard of living, preventive measures and health care, post-neonatal infant mortality--that of infants from 28 days to 11 months--is the same as in France. However, perinatal mortality--that of stillborn infants and deaths from 0 to 6 days--and late neonatal mortality--deaths from 7 to 27 days--is still quite high. In 30 years, and particularly during these past 15, Guadeloupe has gone from an infant mortality rate close to that of an underdeveloped country to a rate close to that of industrialized countries. [Excerpts] [Pointe-a-Pitre FRANCE ANTILLES in French 16 Jun 83 p 2] 9720

CSO: 3219/36

FUN LEADER ISSUES CONCERNS ON DEMOCRATIZATION

Criticizes I.D. Card, Courts

Guatemala City DIARIO EL GRAFICO in Spanish 27 Jun 83 p 20

[Text] Guatemala, 25 Jun--The Front for National Unity, FUN, issued a public statement in which it makes an analysis of the country's position, giving its points of view on the four political laws and how justice is handled by the courts.

On this matter, the FUN asserts: "the laws on democratization promulgated on 23 March, 1983, especially the one referring to the sole identifying document of the citizen, which takes time to obtain and be issued, has been impeding the swift return to institutionality for some time, because according to the new laws, this document is a requirement for casting the vote, and therefore, as long as there are no electoral lists based on this document, there cannot be elections for representatives to the National Constituent Assembly, and even less for general elections. This law is a stumbling block to a return to constitutional order."

The statement also says: administrative proceedings in the courts remain slow and biased, creating an atmosphere of despair among litigants. On the other hand, courts of special jurisdiction were set up, which have been condemned both nationally and abroad, which is why they should be abolished.

The FUN adds: inside the country, especially in the south, west and north of the republic, there is a war for hegemony being waged between the U.S. and the Soviet Union in which we Guatemalans are the main characters and in which there is no respect for the lives of women, children, or old people. The present government ought to make an appraisal of the situation and ask the foreign hands that have been financing the insurgency and counterinsurgency to leave this country.

Finally, they state that a democratic opening of the country has been decreed but politicians are harassed because they express judgments about certain government actions which leads to the conclusion that the authorities have forgotten that they are repositories of the law.

Free of Foreign Commitments

Guatemala City PRENSA LIBRE in Spanish 26 Jun 83 p 3

[Text] Yesterday the Front for National Unity, FUN, formally began its political reorganization activities with a national convention which was held at organizational headquarters with the introduction of the secretaries general.

The convention was chaired by the leader of the committee, Gabriel Giron Ortiz, industrialist Roberto Alejos, Ricardo Estrada, Dr Rolando Molina, Juan Varela, Noel Isidro Juarez, Raul Leiva, Raul Castillo and others.

Initially the gathering was addressed by Giron Ortiz, who explained the strategies members must adopt to reorganize the organization properly.

"The FUN," Giron stressed, "is a committee unblemished in any way. It is a new institution that stands as an alternative for the citizenry who wish to participate in a domestic struggle without obligation to international organizations."

Giron Ortiz also made the most of the opportunity to deliver a book called "Shapers of Values" to all departmental secretaries general. The book contains a series of newspaper clippings of statements by the leader of the organization.

12448

CSO: 3248/1007

IVA, RISING COSTS THREATEN POULTRY INDUSTRY

Guatemala City DIARIO EL GRAFICO in Spanish 27 Jun 83 p 16

[Text] The country's poultry farming is in risk of disappearing with the consequent shortage of chicken meat and eggs as a direct result of instituting the tax reform, according to the farming and cattle-raising sectors of the country which are making an analysis of this situation.

The studies carried out so far concur on one and the same problem: the tax on agricultural costs will lead to a rise in prices on the final product. The natural result will be less demand for the product, financial problems for the farming and cattle-raising industries and an eventual closing down of their operations.

As regards poultry farming, the results have been more concrete, in the sense that the industry cannot survive without tax-free costs. And it is thought that the 10 percent value added tax would cause an increase in the price of chicken and eggs that would have to be passed on to the consumer.

According to data obtained by EL GRAFICO, cotton flour and molasses are the basic costs in poultry farming but are very hard to get domestically. Both the oil merchants and the sugar merchants prefer to export these products rather than sell them domestically.

In addition, it was found that the line is not being held as regards official prices fixed by the Ministry of the Economy. Molasses, instead of costing the fixed price of 0.15 quetzals, is being sold at between 0.20 quetzals and 0.40 quetzals per gallon. Cotton flour has an official price of 6.30 quetzals per quintal [46 kg measure], but is being sold at between 9.00 quetzals and 10.00 quetzals per quintal when available.

Add the 10 percent IVA [value added tax] to these prices and problems, and it is easy to imagine what would happen to both costs.

A Threat to Poultry Farming

The farming and cattle-raising sectors think that poultry farming now has one of the few easy alternatives available to face and accept the challenge of producing quality and quantity protein. In view of the high price of tax

meat and its exportability, chicken meat and eggs turn out to be the most feasible alternative.

Then again, chicken meat and eggs are traditional foods which most consumers like, for they may be prepared in a variety of ways. For their low price puts them within the reach of consumers at all levels of society.

Economically, chicken meat and eggs are a favorable factor, for they both encourage food consumption at a reasonable price, and allow the export of other products that generate foreign exchange for the country.

As for the local diet, chicken is a protein which may be consumed by men, women, or children of any age. And eggs are a food par excellence in all the countries of the world.

Still the farming and cattle-raising sectors believe that although chicken and eggs are ideal foods for their quality and cost, they are being seriously threatened by the tax reform which will affect them at their most important point: the taxing of their production costs with the 10 percent IVA.

11448

CSO: 3248/1009

BRIEFS

LARGE COTTON CROP PREDICTED--The minister of agriculture, engineer Leopoldo Sandoval, reported yesterday that this year the country could take in 100 million quetzals or more in profit from the cotton crop, since the datum is available that more than 80,000 manzanas [1.75 acre land measure] are seeded and grown. The previous datum is clear from the fine outlook existing abroad for the purchase of this product, which at present is 80 dollars per quintal [46 kg measure of weight]. This is why Guatemala has the privilege of securing this good amount of foreign exchange, as profit from cotton. Engineer Leopoldo Sandoval, when he issued these statements to newsmen, said that as far as the sums received under the heading of foreign exchange for cotton exports are concerned, the profits will be double those of last year since the rise in the international market is considered positive. Further on, this official said that this opportunity to sell our product at better prices will make up for the losses suffered by several plantations during the series of floods which occurred last year in the cultivated areas of this crop. [Text] [Guatemala City PRENSA LIBRE in Spanish 28 Jun 83 p 2] 12448

CSO: 3248/1009

DNI: CRIME RATE UP DURING FIRST HALF OF 1983

Tegucigalpa LA TRIBUNA in Spanish 28 Jun 83 p 12

[Text] Juan Blas Salazar, chief of the National Department of Investigations [DNI] reported that according to statistics recorded during the past year, a considerable increase in the crime rate has been noted during the first half of 1983.

He clarified that the security staff "is not violating constitutional guarantees but rather monitoring in order to preserve the democratic system."

Salazar made this statement in reply to accusations by deputies of the national congress during a discussion on the composition of the Human Rights Commission.

The chief investigator stated that the crime rate for the first 6 months of 1983 is greater than the rate for the previous 6-month period.

For example, in 1982 a total of 7,653 property related crimes were committed (robberies, forgeries, petty theft, rustling, arson) while in the first 6 months of 1983 the figures have reached 5,320 crimes.

With respect to crimes against persons (rape, murder, homicide, kidnapping and suicide), statistics show that during the period from January to June in 1983 a total of 1,300 complaints were lodged for reported criminal acts.

Political Criminals

Salazar stated the DNI work is now more complex because the department not only has to fight ordinary criminals but also political criminals such as terrorists, kidnappers and subversives.

In spite of that, he emphasized that of the 11,368 complaints lodged in 1982, 2,215 or 20 percent were resolved, 22 percent (7,475) were dismissed and 58 percent (6,678) are still pending.

4757

ASO: 3248/1040

GUATEMALAN TRADE RESUMED; COSTA RICAN TRADE TALKS BEGIN

San Pedro Sula LA PRENSA in Spanish 11 Jun 83 p 56

[Text] Tegucigalpa--Honduras and Guatemala overcame their differences this week in the area of trade after safety was assured for the transport of merchandise through the border station of Agua Caliente.

The Director General of Economic Integration, Judge Mario Roberto Perdomo Bennet, returned from the Guatemalan capital after meeting with the country's authorities.

According to the vice minister of economics, Judge Angel Eduardo Ramos, after receiving Perdomo Bennett's report he explained that some misunderstandings had arisen regarding the exchange of certain products, but that these had been overcome and everything had returned to normal.

The official dismissed the danger of closing the border. He indicated that bilateral trade negotiations with our neighbors always become difficult, but that finally an agreement had been reached.

Treaty with Costa Rica

Ramos Sarmiento took the opportunity to report that conversations had been started with Costa Rican authorities before problems arose regarding certain products, and to become familiar with the new export supply potential (as published).

The bilateral trade treaty signed by both republics expired last 7 June, but was extended for 2 more months by mutual agreement. The negotiating committees are seeking a definitive settlement before the present extension runs out.

Honduras has an unfavorable trade balance with Costa Rica of 12 million lempiras.

0417

CSG: 3248/981

OVER 32,000 CENTRAL AMERICAN REFUGEES IN CAMPS

Tegucigalpa LA TRIBUNA in Spanish 17 Jun 83 p 3

[Text] Some 32,482 foreigners from Nicaragua, El Salvador and Guatemala have been given refugee status, and many more remain without any classification whatsoever, according to the person responsible for the CARITAS refugee program in Honduras.

Jose Luis Espinoza indicated that the 32,482 refugees have been divided among the Mesa Grande (San Marcos de Ocotepeque), Colomoncagua (Intibuca), El Tesoro (Copan), Jacaleapa and Teupasenti (El Paraiso), and Mocomoron (Gracias a Dios) camps.

Mesa Grande has an average of 17,300 refugees, El Tesoro 568, and Teupasenti and Jacaleapa 1,200.

All of these refugees, Espinoza said, are being cared for by CARITAS, especially in El Tesoro and Jacaleapa, while the remainder, some 13,000 Miskitos, are being cared for by ACNUR.

Several international agencies are caring for the refugees. Work Relief, Save the Children Fund and Alas del Socorro are in the west. Also in the west are CARITAS and ACNUR, the latter organization being that which coordinates and finances the program at the national level.

Espinoza denied that the refugees or the representatives of the international agencies are facing problems with the military authorities.

"Here in the central office," he said, "we are not aware of those problems, as our relations are directly with ACNUR."

9917

000: 3.48/981

BRIEFS

GAS FIND IN TAULABE--Tegucigalpa, 28 Jun--Sources for the Ministry of Natural Resources reported yesterday that average amounts of natural gas were discovered by the Yojoa Oil Company in preliminary underground drilling at Taulabe, Comayagua. They added that the existence of natural gas is an indication (not always) of the presence of oil in the drilling area, but that it is often necessary to determine whether the deposits are small or on a scale suitable for commercial purposes. At this point, the information sent by the drilling company to the Mining and Hydrocarbon headquarters is not clear, but they indicate that the first samples from drilling at the "Bonanza I" well show the existence of natural gas in average quantities. Before striking the hydrocarbon, natural gas appears first, and this has been the case in drillings made in the Honduran continental shelf, but according to reports, the results are that "there is oil but not on a commercial scale." In oil well exploration, there must be a production level of more than 10,000 barrels daily for it to be commercially profitable, and that does not occur in our soil which could barely produce 500 according to available data. Petroleos Yojoa, the company that does drilling in the environs of the lake by the same name, will begin drilling "Bonanza II" on the assumption that the existence of natural gas could indicate the presence of the black gold in commercially profitable quantities. [Text] [San Pedro Sula LA PRENSA in Spanish 28 Jun 83 p 5] 9787

AMBASSADOR TO MEXICO--Tegucigalpa, 24 Jun--Ricardo Arturo Pineda Milla, a Ministry of Foreign Affairs advisor, has been appointed as the Honduran ambassador to Mexico. He will replace Dr Sonia Canales de Mendencia, whose new position in the diplomatic service is not known. It was added that the Mexican Government has already expressed its approval of Pineda Milla in his new post. The new ambassador has held various positions in the diplomatic service, one of the most important being his post as Honduran representative to Great Britain. [Text] [San Pedro Sula LA PRENSA in Spanish 24 Jun 83 p 2] 9787

ROAD CONSTRUCTION INCREASES--By the end of this year, the government expects to have invested more than 298 million lempiras for the construction of highways, roads, and bridges. According to estimates made by the Office of Communications, Public Works, and Transportation (SECOPT), reaching such a goal will involve a record figure for this activity of infrastructure construction. SECOPT sources have indicated that several projects were finalized in 1982, at a cost of 90.6 million lempiras, including the construction of 98 km of access roads in different regions of the country. Also during the same year, 218.3 km of adjacent roads were reconstructed or improved, and 92.4 km of highways and bridges were paved. As of last 11 June, the government had completed important works such as the Saba-Olanchito highway, 42 km long and costing 16,766,000 lempiras, and the building and paving of the Bonita Oriental-Puerto Castilla highway, 53 km long and costing 649,265,000 lempiras. [Text] [San Pedro Sula LA PRENSA in Spanish 20 Jun 83 p 5] 9927

CSO: 3248/981

CNSM RAISES MINIMUM WAGE 15.6 PERCENT

Officials Comment on Increase

Mexico City EXCELSIOR in Spanish 11 Jun 83 pp 1, 9

[Article by Humberto Aranda]

[Text] Starting between 14 and 31 December 1983, 380, 421, 478, and 523 pesos daily will be the new minimum wages in force. Average increase, relative to wages in effect since 1 January of 325, 365, 415 and 455 pesos, is 15.59 percent. The resolution was made yesterday by the National Commission on Minimum Wages.

Mauel German Parra, secretary general of the Trade Union Federation of Government Workers (FSTSE), announced that 1,155,000 government employees, the ones in the lowest jobs on the list, will have their pay increased by 15 percent beginning on 15 July.

Also benefiting will be those higher categories whose incomes may be affected because there will be "an almost automatic payraise," so said Parra who specified that this increase is separate from the one given government workers in September. Thus there will be considerable recovery in purchasing power, he pointed out.

The report on the general and professional minimum wage increase was issued yesterday morning after a short meeting of the council of representatives of the branch commission, presided over by Javier Bonilla Garcia.

Since the National Commission on Minimum Wages was established, they have never been sufficient, so stated Faustino Chena Perez, worker sector spokesman, cynically.

He denied that the Confederation of Mexican Workers (CTM) had tried to boycott the council of representatives meeting and that the CTM representation had met because of government pressure. The CTM claimed that the report was issued on Monday, he said, because the leadership was busy with the problem of strikes, adding that "there was no government pressure but simply that the raise had already been reported along these lines, and then it was frowned upon that it might not go through." "How could the CTM

boycott if it has approved the situation?" he asked. Javier Bonilla Garcia, chairman of the commission, pointed out that the resolution, unanimously adopted, will succeed in easing the negative effects of the crisis during a period in which earnings in practically all sectors of the community tend to be reduced in real terms. "It will also succeed," he added, "in protecting sources of employment for millions of Mexicans and in giving rise to new sources of employment in view of the difficult situation confronting the national economy within the framework of a world economy in recession." Bonilla Garcia said further during the interview that within the commission, worker representatives--members from various plants--and management levels had concluded negotiations with full awareness of solidarity regarding the programs set forth by the Federal Executive.

Adequate" Increase.

Miguel A. del Regil, spokesman of the management representation, felt that the minimum wage increase "is adequate, because it is a clearcut reflection of Mexico's economic problem, primarily if the inflationary process is taken into account, the pay question is very delicate," he added.

Asked as to whether the meager pay increase guarantees that there will be no worker readjustments, he pointed out that "that cannot be stated categorically; each industry has its own requirements."

Who receives what pay.

The minimum wage of 380 pesos a day, replacing that of 325, will go into effect in 27 of the 89 zones in which the country is divided; included in the 27 zones are the states of Durango y Zacatecas; the pay areas of San Luis Potosi Norte Hidalgo Oaxaca, Tuxtepec, Oaxaca; Guerrero, Mixteca, and those included in the state of Campeche.

The minimum wage of 421 pesos daily replacing that of 365 pesos affects a group covering 48 zones, among which are included the states of Sinaloa, Jalisco, Colima, Tabasco and Quintana Roo, as well as most of the states of Mexico and Queretaro.

The minimum wage of 478 pesos replaces that of 415 in the following 6 zones: Tijuana-Costa, Monterrey metropolitan area, Tamaulipas-Mante, Tamaulipas-Madero-Altamira, Veracruz-Poza Rica-Tuxpan and Guadalajara, metropolitan area.

Finally, the minimum wage of 523 pesos, replacing that of 455, will go into effect in Baja California Norte, Baja California Sur, Sonora, Nogales, Tijuana, Ciudad Juarez, Tamaulipas Norte, District Federal metropolitan area, Veracruz-Minatitlan-Coatzacoalcas and Guerrero-Acapulco.

Professional salaries.

The Minimum Wage Commission also reported that beginning on the 14th of next month, the 86 professional minimum wages existing in the country will be

increased. The increase is from 2,070 to 3,360 pesos a month. Professional minimums vary between 25 to 65 percent above general minimums in force in each zone, explained Norma Samaniego, technical director of the commission.

Some examples of the new professional minimum wages are: 764 pesos a day for bricklayers; 679 for recording equipment box makers; 710 for roughwork carpenters; 735 for accounting assistants; 675 for seamstresses in clothing factories or workshops; 725 for registered nurses; 675 for gas station operators; 670 for typists; 710 for hairdressers and manicurists; 682 for receptionists; 753 for blowtorch or electric arc welders, 714 for shorthand stenographers; and 675 for watchmen.

Impact on Labor Movement

Mexico City EXCELSIOR in Spanish 11 Jun 83 Cultural Financial Section pp 1, 2

[Article by Hector Barragan Valencia]

[Text] Workers feel deceived by their leaders. Pay increase demands dropped from 50 percent to "pin money" of scarcely 10 percent and a minimum wage increase of 15.6 percent. And strike threats remain in on-call or shut-down status with little chance of success. The frustration which the leaders are generating in their union men could lead to the dispersion or radicalization of the worker movement. The responsibility of the worker leaders is heavy. The dispersion or radicalization of the organized worker movement could produce the same results: the disintegration of strength. We call to mind the experience of many union groups which were all but disbanded. Today is the time to build up strength, not lose it, and to adopt new strategies for dealing with the challenges of the present and the future.

Fragile Sale of Renault and VAM

The sale of the state-owned automobile companies' stock shares to the French Renault company is a piece of dismaying news which will have disastrous consequences.

Mexico would lose a great deal if because of an erroneous strategy the worker movement were decimated now that the nation's future is on the point of being decided. But why is an inappropriate strategy the one to use in demanding a pay increase now? The answer is simple: following the nationalization of the bank, the State came to control approximately 70 percent of the economy, i.e., it is the most important employer in the country. And it happens that the boss is bankrupt and has no money.

Under these circumstances, organized workers should not sacrifice their standard of living but indeed should seek other organized ways (to consume or even produce basic goods) which will allow them to maintain and even raise their economic well-being. In other words, the pay raise way is not the right one for raising the people's consumption. The state's bankruptcy blocks the way for a pay raise as a means to elevate living standards in the immediate future.

On the other hand, the labor union demand which should not be set aside is the one in which the state allows and encourages the workers' organization within state enterprises so as to restructure the body of officials and thus increase productivity and innovation, but also so as to permit the workers to move into the "social sector," which would guarantee acquisition of basic needs in a way other than pay.

Maintaining current labor leadership in state enterprises (today majority) would perpetuate bureaucracy, inefficiency and corruption. The risks are Chilean-style authoritarianism or liberalism. That is why what is at stake is more than a simple pay hike. The worker movement must discuss the historic moment and change its economy-oriented strategy.

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MISKITOS DESCRIBE PERSECUTION BY SANDINISTS

San Jose LA REPUBLICA in Spanish 23 Jun 83 p 7

[Article by Carlos Vargas Gene]

[Text] A Dantesque picture of genocide, persecution, brutal repression and death comparable only to the tragedy which the Jewish people lived through in the Warsaw ghettos during the Nazi persecution, is the one painted by "Amin," "Sha," and "Misko," the 3 leaders of the group of 114 Nicaraguan refugees who arrived at Limon yesterday from the Miskito coast of southern Nicaragua and who are under the care of national authorities and officials from the Joint Institute for Social Aid (IMAS) at the old Carrez nursery at Pueblo Nuevo, Limon.

"We are fleeing the terror which has taken hold on the entire Atlantic coast, all over the south, the Sandinist army," so said yesterday the group's 3 leaders to "La Republica," who asked not to be photographed nor that their names be disclosed,, "because we still have relatives in Nicaragua who would be tortured and killed out of vengeance because we came here," they stated.

Afraid To Talk

The Miskito, Sumo, Rama and Creole refugee group which arrived at Limon in flight from the hell into which the South Atlantic area of Nicaragua has been converted had refused until noon yesterday to talk to national journalists who had tried to interview them. They are genuinely afraid of what might happen to their family members who still remain in Nicaragua, victims of the most merciless persecution. We are farmers and fishermen who cannot defend ourselves, they said and are afraid their relatives will suffer the consequences of the crime they committed by fleeing in search of safety.

"We have seen whole towns devastated. We have seen young boys of 12 years tortured and shot for much less than saying anything against the Sandinist government militiamen. How do they want us to talk?" they asked anxiously.

Because of our promise not to publish photographs of adult men or women who might be recognized, they consented to tell us their tragic story because "the world has to know what is actually going on in Nicaragua."

The Fishermen of Netsetpoint

The refugees who arrived at Limon are residents of the small fishing village of Netset-point on the Caribbean coast of Nicaragua, 40 miles from Bluefields.

All are of mixed blood, products of a mixture of Miskito, Sumo and Rama, with Creole and Negro. They speak perfect English which is the language in which they study; they speak Spanish and a peculiar native dialect. Among themselves they speak "Creole," a mixture of bad English and Miskito.

The population of Netset-point a few months ago was about 300 residents. Today no one is left in Netset-point: the 107 residents who remained fled to Costa Rica; the rest were killed or sought the mountains to "join the guerrillas and save their lives while helping Nicaragua to be free again."

The population of Netset-point began to drop off when ARDE launched its guerrilla warfare on the Nicaraguan southern front.

"Along with the war came Sandinist terrorism," said "Amin," "Sha" and "Misko." "The Sandinist government sends in an army and tells it: go and pacify that area. They torture and kill those who do not heed them or humble themselves.

"They go house to house in search of young men. If there are two, they take one to serve in the militia. If there are three, they take two." They state that no one may refuse. "If anyone claims he has problems, with no further discussion of any kind they make him prisoner and he disappears...."

This was how, they explained, the population of Netset-point was growing smaller. "We saw many young men," they said, "who simply protested because they were being taken away by force to the militia, accused of being "reactionaries," tortured and killed.

Those in the Brutal Repression Are Not Nicaraguans

The leaders of the Nicaraguan "Creole" group which sought refuge in Costa Rica say that "killing off whole towns does not matter to them because all the leaders are Cubans.

"We cannot imagine one of our own countrymen having militiamen pursue a man through the streets with gunshots until they kill him as if he were a dog with rabies," said Misko with a trembling voice, adding that there are many foreigners with the militia.

When a village does not "cooperate completely," it is accused of being "contra" then the planes come and "massacre" it.

"You have no idea of what it is like to see a plane machinegunning settlements, bombing houses, setting fire to everything, because someone took it in his head to say that we were "contras."

The Creoles say that the "massacring, cruelty and killing are what has made the entire peasantry hate the Sandinists and in their hearts wish for the revolutionaries' triumph. We can do nothing because we have no weapons nor do we know how to defend ourselves, but if they go on like this, within a short time there will not be a single person left in Nicaragua."

Refugee Avalanche Predicted

Such is the fear prevailing in the whole area, according to the refugees who by the hundreds of natives and Creoles are doing everything they can to flee and come to Costa Rica.

"This is not an easy thing because they have everything under their control. Fishing boats go out to fish with two or three militiamen aboard, and risking it in small boats is almost impossible," they say.

San Luis Odyssey

The 107 refugees who reached Limon came aboard the fishing boat Santa Lucia under the command of Captain Luis Iraeta. The Creole leaders explained that "fishing launches work at night which is when fishing is best. During the day the crew sleeps and rests.

"We took advantage of this circumstance and took all those remaining in the village to the San Luis. We are seagoing people and knew that by taking the current and sailing east, we would arrive off the coast of Costa Rica," explained "Sha."

"The surprise of the captain and crew was great, but when we explained the situation, they swung to our side, helped us and brought us to Limon where we asked for asylum and assistance. Captain Iraeta and the seven crewmembers from the San Luis are staying here with us, because they know that if they go back to Nicaragua they will be killed immediately," the Creole chief said.

Heavy Fighting in Atlantic Area

The refugees say that "they have heard and seen heavy fighting in the South Atlantic area of Nicaragua," this being one of the big problems of the many with which they have had to deal.

"When fighting takes place near a village, the Sandinists immediately suspect that the entire village has been collaborating with the counter-revolutionaries.

"When the fighting is over, since the guerrillas always pull back after striking a blow, the government sends in a force at times of up to 2,000 men to eliminate the village completely. They call us reactionaries and antis and wipe out all the children, women, old people and men who were unable to get away," state the Creole chiefs. "Deep down they are making the people hate them and join the revolution," they say.

"Near Netset-point there was a clash last week; we knew what the Sandinists would do to our village which now had fewer than half its residents," said "Amin.

"When we found out through militiamen who remained guarding the village that 400 militiamen were coming, we decided to run the risk and take the San Luis to reach Costa Rica.

"We got aboard our small boats and, taking advantage of the militiamen's taking a rest, without taking along anything more than what we were wearing, we left and here we are, thank God."

The Tragedy of Tasmapone

Tasmapone is a town of about 5,000 residents who make their living from farming and fishing as do most on the Caribbean coast of Nicaragua. They are also Creoles and Miskitos, Sumos and Ramas.

Some 12 days ago there was a clash in that town located "some 12 miles from Bluefields," where the Sandinists were taken by surprise and got the worst of it.

Repression was not long in coming, and militiamen who remained in the town began to imprison and kill all those who, they said, had collaborated with the opposition, an uncertain thing because they too had been surprised by the attack, so said the refugees.

"They knew that that was just the beginning of repression, and when they found out that a column of 2,000 militiamen had been sent from Bluefields, the whole town fled to the mountain.

"The 5,000 inhabitants of Tasmapone went into the mountain and have been there ever since: women, the newborn, old people, the ill, pregnant women, all sleeping in the mountains and in the fields, eating roots and drinking stagnant water. Fleeing, always fleeing, with the hope of finding a settlement where there might be something hot to eat. They think only of saving their lives," say the Creole chiefs.

"The militiamen pursue them closely and hunt them down in the mountains as if they were beasts." So say the refugees in Pueblo Nuevo de Limon and can tell no more.

"Now do you understand why we do not want our names and photographs published?" they ask as if apologizing.

We understand.

The Refugee Camp

The refugees are being cared for by the Costa Rican Rural Guard, IMAS and the Red Cross. They have sufficient food and proper medical attention.

Along these lines they say that they need nothing, but there are many things which the official organizations cannot offer them.

Some youngsters have nothing to wear but what they have on. One of the leaders, by occupation a "public accountant," has only his undershorts and trousers. He has no shoes, shirt nor socks.

Some women have only the cotton dresses they are wearing now and are hopeful that the Costa Ricans will help them.

They ask anxiously for a bit of old clothing for boys, girls, men and women: shoes, underclothing, old magazines and books in English for passing the time. An old toy, "even though it might be broken," they say, so that the little ones might be able to play and forget their tragedy for a few minutes.

We are sure that many people will send something they do not need promptly to the official Don Mario Ramirez, in charge of the refugees, at the Cantonal Delegation of the Rural Assistance Guard at Limon. He will have it get to the needy. Thank you.

9436

CSO: 3248/1026

RAMIREZ DISCUSSES POLITICAL, ECONOMIC SITUATION

Havana PRISMA LATINOAMERICANO in Spanish May 83 pp 6-9

[Article by special correspondent Jose Dos Santos: "The Central American Volcano"]

[Text] Managua--I visited the land of volcanoes and lakes. I met men who are inured to fire and water, who look you straight in the eye and possess a strong will, men shaped by centuries of struggling against an untamable natural environment which seems to have passed that characteristic on to them in their search for emancipation.

There, I spent a day with Sergio Ramirez, one of the members of the Nicaraguan Junta of the Government of National Reconstruction, who gave us an outline of the society they are seeking following their own criteria and who defined concepts on the basis of his daily experience.

The productive dialogue in which we took part--a dialogue covering a variety of subjects and initially not intended for information purposes--is representative of the views and aspirations of that nation in state of revolution. This is why we summarize it below.

In Somotillo, 6 kms away from the Honduran border. under a luxuriant tree and surrounded by journalists from various countries, a cultured and uncomplicated man, pleasant and firm, told us about the meaning and impact of a revolution now approaching the fourth anniversary of its triumph and that man knows that the most difficult times are still ahead.

The first and most vital problem for this new social process, the problem of its survival, results, in his opinion, from the fact that the United States cannot bear "for us to be independent for the first time in 150 years."

For the U.S. Government, the fact that such a small country as Nicaragua has proclaimed its autonomy from the United States is something which "they cannot accept given their arrogant outlook on the world," Ramirez said.

The member of the Junta of the Government of National Reconstruction considers that claims "that we are in alliance with the Soviet Union and that the East-West power struggle is being fought in Central America are nothing but excuses

for their war to regain a control which they have had since 1855 when they invaded us for the first time."

The observation made by this young and experienced Nicaraguan leader applies to more than the situation in his country when he warns that if the United States allow themselves to be dominated by extremists--"because those who are now in the White House are extremists, rightwing radicals"--terrible things could happen.

He thinks that a landing of U.S. marines in Central America will start a conflagration in the region which could spread far beyond it and, for Washington, the outcome will only be the same as in Vietnam.

For the Sandinista leadership, the heart of the problem is President Ronald Reagan's determination to manipulate the world as he sees fit. Ramirez answers that aspiration with five words: "We have our own political will."

He also explains that Nicaragua is not idly waiting for the United States to invade it. "We do not believe in the sad endings of Greek tragedies where the gods destroyed the mortals and nothing could be done about it," he said.

Today's Nicaragua follows domestic and international policies which have neutralized all thoughts of invasion. In the international sphere, he points out that his country has good relations with the Nonaligned Movement, with the Socialist International, with Arab countries, with many developed capitalist countries and with genuine socialist countries.

"It looks like it is not so easy to hit somebody small," he says with that sharp wit which is characteristic of his nation.

Different Fronts

In this open dialogue he points out that Nicaragua stands a good chance of becoming modernized internally to defend itself inside its frontiers. "We are going to have a fighting force of 10,000, 50,000 or 1 million men depending on the situation," he noted.

Sergio, as he is called by people as soon as they meet him, gives us a broader outlook on the current situation when he explains that "it is not just a military problem but a political one. This is why we are acting in many fronts, not only in Nicaragua but all over the world, to make people realize that the whole issue of war against our country depends on the will of the Reagan administration.

"We are not going to win this war militarily unless we also win it politically because what can we do if the Honduran Government and Army decide to support the pro-Somoza mercenaries and if the United States gives them money and weapons? We will have to defend ourselves inside our territory and under unequal conditions."

Replying to a direct question which I put to him, Ramirez told us that for Nicaragua the toll of this constant aggression from across the northern border

is an average of one life lost every day not to mention the people who are crippled, wounded, kidnapped, the lands which are abandoned or ruined, the lost crops and the families living in a constant state of anxiety and danger.

This harassment has not set back the process started by the Sandinistas on 19 July 1979. It is Sergio's opinion that Washington should realize that "the United States have lost this country forever," because the staunch defense of this country will be carried out by its people with the "military and moral strength which is ours."

The same determination shown by the member of the Government Junta when he spoke to us was also detected among the people we met during the days when we participated in climatic moments of their history such as the funeral of 17 Sandinista youths killed by counterrevolutionaries and the visit of Pope John Paul II to this country.

Important factors intermingled in both events, among others, the need which that nation has to have peace to address the task of national reconstruction and to fulfill its social and economic goals which will raise the wellbeing of the people and will give them an identity.

Born in pain, as all new life, the Nicaraguan revolution seeks peace with dignity where every day does not turn into a new challenge to survival.

This is a reality which does not contradict but rather adds to the tense picture of the Central American region "where revolution is in progress" and where it is impossible to speak about the Nicaraguan process "as an isolated issue." "It is barely a small spark," is how Sergio describes it for us.

Another Challenge: the Economy

Besides facing direct or covert aggression in the military and political spheres, Nicaragua is confronted with the challenge of developing its backward economy--which has been thwarted and monopolized by a small group of nationals and by foreign interests over a period of several decades--under conditions of international financial harassment and trade restrictions.

One of the chief initiatives in this sphere is to seek new markets abroad. As a result Sergio Ramirez announced that in 1983 Nicaraguan exports to the United States will represent 23 percent of the country's overall exports (down by 11 percent compared to 1982).

"We are going to survive," he said, "with or without the support of the United States. We have proved it during these very difficult years."

Despite being poor, Sergio pointed out, Nicaragua is trying to find adequate solutions to its problems but "we do not believe in devaluation or in any of the other prescriptions advanced by the International Monetary Fund even if they offer us millions of dollars."

Nicaragua's development policy has made it possible to increase trade with the socialist countries from which it has received orders amounting to more than

\$200 million worth of imports. But the Sandinista Government does not believe that conducting all its trade with that group of countries is the solution to its problems.

"Our problem," Ramirez said, "is to have markets which are safe and diversified and to be paid good prices."

Among the new possible markets, he mentioned countries such as Libya, Syria, Iran and Tunisia; socialist countries like Bulgaria, the Soviet Union and Cuba; Latin American countries like Mexico and Panama.

He did not show great concern over Nicaragua's foreign debt of \$3,000 million since the overall standing debt for the entire area of Latin America stands at \$300,000 million.

"Our debt," he said, "only represents 1 percent of the region's overall debt and, therefore, we feel safe" because he thinks that not even the banks would find it profitable to seek full payment immediately because there would be practically nothing left to continue producing. (Nicaragua would have to apply 85 percent of its exports to pay its foreign debt).

The range of topics discussed with Ramirez was much wider; while eating typical national dishes and drinking refreshing beer, he even mentioned his views about the building of socialism.

The ideas are clear in every respect ("pluralism does not mean the absence of a guiding political force" or "the major ideological battle confronting us today is the battle against ignorance") but dilettantish abstractions such as one hears in European universities are not what the Nicaraguan leaders and people are mostly interested in.

"We are engaged here in something more concrete," Ramirez stressed amidst smiles of understanding. "We are trying to change a country while we are under conditions of poverty and aggression...we are building something really new."

And no further words were required for us to understand because the smoke rising from the "Old Man" as we made our way to the north, the barefoot children of a settlement and the chorus of shouts "We want peace" still ringing in our minds, add up in this hot and fertile land to a volcano of human dimensions illuminating with its flashes an untrodden path in Central America.

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CSO: 3248/952

NEW NEWSPAPERS BEING PUBLISHED IN ZELAYA

Managua BARRICADA in Spanish 2 Jun 83 p 3

[Text] The first issue of a newspaper with an English title, SUNRISE, is about to be published. This paper, published in the port city of Bluefields, will serve Special Region II, Zelaya South. SUNRISE will join AVANCES, the journal of Special Zone I, Zelaya North, which has now published three issues.

Both publications are beginning to fill a news vacuum which has affected the population of the Atlantic coast for years. In doing so, they will complement other communications media which the People's Sandinist Revolution has worked to provide to the formerly isolated Atlantic coast. Radio and also television have been broadcast to our brothers on the Atlantic seaboard, and, each in its own way, these have also filled gaps and helped meet the enormous needs of the people of Zelaya for information.

However, in spite of the advances in electronic communications (radio and television) in the Special Zones, and in spite of the fact that the newspapers circulated nationwide are active in these parts of the nation, publications like SUNRISE and AVANCES are basic means of communication whereby the Zelaya area can express its needs and accomplishments.

We hope that the comrades who are working on both publications, being persons who have had little or no journalistic experience, will continue steadfast in their desire to make advances with these new collective projects in the publications field, and will continue doing as well as heretofore or even better. The quality of both publications is surprisingly good, in fact, and we are certain that they will be able to continue providing the regularity of publication which is necessary, to the benefit of the people, who are eager to receive local news and to see in print their aspirations and their needs, as well as to see their concerns reaching a wider audience.

We congratulate the comrades working on both publications, and congratulate also the people of Zelaya for producing these indigenous publications which will complement the broadcasts of news by radio and television as well as the periodicals with nationwide circulation. We wish long life to these two publications, which constitute another proof of what can be accomplished by an energetic revolution such as ours, which is sensitive to the needs of the people and able to meet these needs.

UNITED LEFT PROPOSAL FOR PACT WITH APRA SCORED

Lima LA PRENSA in Spanish 19 Jun 83 p 30

[Editorial]

[Text] With fanfare and flourishes, the United Left is proposing no less than a pact with the Aprista Party to defend democratic freedoms.

Considering the source, that pact would be nothing more than a rough draft or blueprint for the Popular Front, an initiative that has invariably been vetoed by Victor Raul Raya de la Torre, chief and founder of the People's Party, and who today promotes the definitive opposition of such lucid minds as Luis Alberto Sanchez.

Just as the scoundrel gives himself away, if the United Left, more or less hypocritically, proposes the defense of the democratic freedoms to APRA (American Revolutionary Popular Alliance), that means that it recognizes, though grudgingly, that these do exist in our country, about which no one should have the least doubt--not even FRANCE-PRESS, the official news agency of the French state, or LE MONDE, the semi-official voice of Francois Mitterrand's socialist government.

In effect, the freedom of the parliamentary platform knows no restrictions. In the Houses the United Left has at its disposal representatives who are precisely remunerated by the bourgeois state, and who enjoy an immunity which they usually confuse with impunity in order to foster the commission of crimes or to cover up terrorism and guerrilla activities.

It is true that a State of Emergency has been declared, by virtue of which some of the guarantees recognized by the constitution remain provisionally suspended. But it is no less certain that the government has resisted adopting it and has had to do so in extremis after Lima suffered through a night of vandalism. In short, it is no less certain that the State of Emergency as well as Martial Law--the latter now being justified by the civil war, or the attempt at same, which is going on particularly in Ayacucho Department--are perfectly constitutional. Not only is the government not stepping out of bounds of the constitution, but it is acting within them when it uses the resources that the basic law grants to defend the public order.

The United Left is inviting APRA to a coalition that goes against nature, since we understand that APRA is a democratic party, to fight for the lifting of the State of Emergency. In other words, to cover up terrorism and to make their criminal work easier. Otherwise we do not understand how there can be a fight against the government when it is exercising the powers granted to it by the constitution. One could fight if it exceeds them. But this is not the case.

There is more to the suspect invitation of the United Left. There is the proposal to form emergency governments and presumably of the Popular Front, in the regions being hit by terrorism. Nothing similar is provided for in the constitution. This has to do with disavowing the legitimate authority of the state. This is a matter of dividing the country. Such a proposal is courting treason against the fatherland.

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FRENCH PRESS VIEWS ON TERRORISM, HUMAN RIGHTS CRITICIZED

Lima LA PRENSA in Spanish 18 Jun 83 p 10

[Editorial]

[Text] France's president, Francois Mitterrand, on a visit to Corsica recently issued a strenuous warning to those on this island who are carrying out acts of terrorism and perpetrating violence in favor of a cause that--with or without reason--they consider to be national.

There are those who could claim that the Corsican patriots, the first of whom, chronologically, was Paoli, are right. Corsica is not French either in race, culture or language. It is really Italian. In all likelihood it wishes to be independent.

Corsica was bought in cash by the French monarchy a few years before Napoleon was born in its capital, Ajaccio. This is the circumstantial and fortuitous reason by which the future emperor, who initially fought for independence beside Paoli, would be able to consider himself technically to have been born in France.

But neither the FRANCE-PRESS agency nor the daily LE MONDE, either through their special envoy Marcel Niedergang or resident correspondent Nicole Bonnet, and which have their own and definitive explanations for the terrorism in Peru, enlighten us sufficiently about the terrorism on the French continent and in its European colonial possessions, as is the case of Corsica, at least in the opinion of the Corsican patriots, undoubtedly the most disorderly.

If the terrorism in Peru, according to FRANCE and LE MONDE, has as its effective cause social inequality, is this also the cause of terrorism in France? If, according to the most basic rules of Aristotelian logic, the same causes produce the same effects, then are the same effects produced by the same causes? To contradict such propositions LE MONDE would have to invent a Descartes as quickly as possible, something which is obviously lacking.

On the other hand, when the democratic and constitutional government of Peru, freely elected by the Peruvians, restricts terrorism, as is its duty and its right, then in the judgment of FRANCE-PRESS and LE MONDE it becomes an object

of censure by universal opinion, and is classified as a systematic violator of human rights, or virtually the same. But, if the repressor of terrorism in Corsica is the socialist and humanitarian government of President Francois Mitterrand, also undoubtedly elected by the majority of Frenchmen, according to this hypothesis the socialist government, precisely for being socialist, not only is not suppressing human rights but, to the contrary, is defending and upholding them, even though among these rights is included the right of the Corsicans to rise up and fight for their independence.

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COMPTON SUPPORTS FRENCH ISLANDS FOR CARICOM MEMBERSHIP

Port-of-Spain TRINIDAD GUARDIAN in English 20 Jun 83 p 14

[Article by Serge Argentin]

[Text]

**FORT-DE-FRANCE, Sun.,
(Cana):**

SAINT LUCIA would back any application by France to have its three overseas departments in the region — Martinique, Guadeloupe and Cayenne — become associate members of the Caribbean Community (Caricom), Prime Minister John Compton has said here.

He was responding to reporters' questions at the end of an official two day visit, at the head of a nine member delegation which held talks with the Martinique Perfect Jean Chevance.

and top officials of the French Island's two parliamentary chambers.

Mr. Compton had been asked to comment on the May 12 announcement that the Caribbean Development Bank, an institution of Caricom, had admitted France to be a full contributing member of the Barbados-based financial institution.

FREE TRADE

"I think its very useful," the Saint Lucia leader said. "It shows that France has not forgotten her obligations in the Caribbean." (Some Caricom member States, including Saint Lucia and Dominica, have had direct ties with Paris in the past).

Mr. Compton added: "France be-

ing a member of the CDB, an organ of Caricom, Martinique, Guadeloupe and Cayenne should become associate members of Caricom, so we can have freer trade and we can develop our industrial base and solve our economic problems.

"If there is an application by France to become an associate member and (stipulating) that the people who should carry the part of France in Caricom should be the three overseas departments in the region, then we would support it, because that will be of great value to us."

Mr. Compton, who was accompanied by his wife and several Government officials, described his trip, including talks on cooperation between the two islands, as useful.

He visited agricultural, fisheries and housing schemes here, including fish breeding centres.

INTERESTING FEATURES

"I saw housing with some very interesting features and I think there is a lot we have to learn in Saint Lucia to try to do what you've been doing here," Mr. Compton told reporters.

The two islands are expected to cooperate in education, sports and the movement of people, official sources here said.

Dominica's Prime Minister Eugenia Charles is to pay a similar two-day official visit to Martinique June 23-24.

NEW AIR FORCE CHIEF OF STAFF SWORN IN

Caracas EL UNIVERSAL in Spanish 28 Jun 83 p 1-20

[Article by Jose Hurtado]

[Text] Maj Gen Pascual Azara yesterday became Air Force chief of staff of Venezuela, replacing Maj Gen Kelly Feliciano Aguilera Nessi, who will retire in July.

The ceremony was held in the morning in the 17 April auditorium of the Generalissimo Francisco de Miranda base in La Carlota and was chaired by the Air Force commander, Maj Gen Balbino Colmenares Saavedra.

General Azara, who will be promoted to the rank of major general on 3 July 1983, has just headed the directorate of education of the personnel command of the Venezuelan Air Force. He was born in Caracas on 25 July 1930. He graduated from the School of Military Aviation on 5 July 1955. As a fighter pilot he flew various craft in that specialty and for 5 years was a flight instructor at the School of Military Aviation.

He has held important posts, carried out important missions, and taken proficiency courses including among them the tactical course, the command and general course, the flight training and target course, the advanced national defense course, the civil engineering course, the advanced management course and the course in business administration, the last three at the Los Andes, Santa Maria, and Simon Bolivar universities, respectively.

Earlier in the taking-over ceremony, various distinguished officers of general rank were conferred the Venezuelan Air Force Cross, first class.

Once the usual protocol was over, Gen Kelly Aguilera Nessi, the outgoing Air Force chief of staff, spoke to express emotionally the significance of this event which marked the conclusion of 30 years of uninterrupted service in his active military career given that he will retire in July 1983.

At the same time General Aguilera expressed satisfaction at the fact that at the conclusion of his duties with the Joint Chiefs of Staff he was now handing over the command to his successor and intimate friend, Pascual Azara Azara.

On his part the new chief of the Air Force command, Maj Gen Pascual Azara Azara, began his speech by addressing a warm greeting to newsmen since that very day--27 June--was Journalists' Day.

He also noted that "we know that the entire country at all levels feels the pressure of the economic recession that we are experiencing. We are not outside this situation but will also have to handle in the very short time extremely important programs demanding substantial human and financial resources, which we shall not find easily around the corner. Rather, it will be necessary to call on the capacity and imagination of everyone to find possible alternatives and to choose those which are most appropriate to the institution and the country.

"The road to be covered will be hard, but I have great confidence and renewed faith that the combined efforts of all will lead us along the path of success."

General Azara had praise for his predecessor and expressed his desire for broad cooperation with Maj Gen Carlos Pinaud Arcila, the new general commander of the Air Force.

The function was closed by the general commander of the Venezuelan Air Force, Maj Gen Balbino Colmenares Saavedra, asserting, among other things: "I especially wish to mention the pleasant privilege of meeting with you in the intimacy of a familiar environment in this fraternal contact with individuals whom I saw every day, whose names I shall always invoke with feeling because they were a part of myself in the fulfillment of the lofty mission entrusted to me by the Venezuelan president and commander in chief of our armed forces."

After congratulating the new Air Force chief of staff, General Colmenares also said "thanks to those of you who helped me fulfill the noble mission entrusted to me and to embrace, with fraternal intimacy, all the personnel of the Venezuelan Air Force present here, military and civilian personnel, and each of you who strived with me during the time that I spent in our beloved Air Force."

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GENERAL SILVA TIRADO SWORN IN AS ARMY GENERAL COMMANDER

Caracas EL UNIVERSAL in Spanish 1 Jul 83 p 1-20

[Article by Jose Hurtado]

[Text] In a ceremony chaired by Maj Gen Vicente Narvaez Churion, the last of his career since he will be retiring on 5 July 1983, Maj Gen Luis Jose Silva Tirado assumed yesterday evening the Army's general command.

General Silva Tirado replaces Maj Gen Luis Octavio Romero, who will also retire after completing 30 years of active service as provided for by the Organic Law of the National Armed Forces.

The ceremony was held in the honor courtyard of the Military Academy of Venezuela (Fuerte [Fort] Tiuna, El Valle) beginning at 1630 hours and was attended by the other members of the Military High Command; the minister of health, Dr Luis Jose Gonzalez Herrera; the deputy minister of internal relations, Dr Remberto Uzcategui; the former general commanders of the Army; and other specially invited guests.

Farewell of Gen Luis Octavio Romero

In a short address the outgoing Army commander, Gen Luis Octavio Romero, made a concise synthesis of the mission completed during his year of activity, stressing that "with the same satisfaction that I received, it behooves me on this occasion to hand over the command with which you honored me, in the name of the Venezuelan president."

General Octavio had words of praise and gratitude for his close colleagues, mentioning among them the minister of national defense and his aides on the Military High Command. [He also praised] "Maj Gen Humberto Alcalde Alvarez, who as my chief of staff evidenced his intellectual and moral capabilities, qualities which have again been recognized with his promotion to a higher position for which he has outstanding merit and great capability."

The New Commander

On his part the new commander, Gen Silva Tirado, stressed his conviction "of the magnitude of the commitment and national scope that the honor of commanding this Army involves."

He also noted that "these concepts induce me to think of convergence of wills and thoughts that are perfectly feasible in the framework of pondered reforms and just initiatives, where authority grows reinforced by the consensus and action of subordinates.

"None of our problems is new to me. The complexity of many, the difficulty of others, the magnitude of events, and the naturalness of the obstacles are obvious to me. But I am also convinced that a sincere, dispassionate, and daring determination to solve them will find unanimous support in the entire military establishment.

"Gentlemen general officers, superiors, subalterns, cadets, professional career noncommissioned officers, military bandsmen, noncommissioned officers, other ranks, and civilian personnel of the Army,

"An army is a constellation of values of the most diverse types, entrusted to the twosome of commander and rank-and-file. It is on this binomial that the most highly valued treasures of Venezuela are premised. Without such a foundation there is no army. The commander has an indispensable integrity and competence backing his moral authority while the rank-and-file are ennobled by his example. This conjunction of ideas and feelings, passion and ideals, is what has made the soldier a figure of dignity, a dignity epitomized in monuments of admiration, gratitude, and glory across the centuries. For those unit commanders and for those soldiers, these words convey messages of my most intimate solidarity and of my warmest affection."

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CHANGES IN MILITARY HIGH COMMAND ANNOUNCED

Caracas EL NACIONAL in Spanish 29 Jun 83 p A-1

[Text] Gen Jose Antonio Quijada Sanchez, a member of the Jacinto Lara class of 1956, will be the new director of military intelligence (DIM), according to qualified military sources.

The general mentioned has headed the Armed Forces Institute of Social Security where he will be replaced by Rear Adm Eneas Rivas Gonzalez. Both officers will be promoted to their new ranks effective 5 July 1983.

In the Ministry of Defense Brig Gen Jesus Maria Troconis Peraza will be appointed any day now as sectoral director of the secretariat; Brig Gen Silvio Mibelli Acuna will become director general of administration; Brig Gen Jose Humberto Vivas will become cabinet director; and Col Hernan Jose Vasquez Pena will be director general of public relations and military protocol.

High military sources reported that within the next 24 hours, one day before Maj Gen Humberto Alcalde Alvarez becomes minister of defense, the high commands in the four military services will be completely structured.

Alcalde Alvarez will be the first official of the armed forces' communications service to occupy the defense portfolio.

The other members of the military high command will be Maj Gen Oswaldo Plazola Gilly, inspector general of the armed forces; Maj Gen Alfredo Quintana Romero, head of the Joint Chiefs of Staff; Maj Gen Luis Jose Silva Tirado, Army commander in chief; Vice Adm Haroldo Rodriguez Figueroa, Navy commander in chief; Maj Gen Carlos Pinaud Arcila, Air Force commander in chief; and Maj Gen Jose Enrique Berthe, general commander of the Cooperative Armed Forces.

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ARMED FORCES COMMITMENT TO ELECTORAL PROCESS REITERATED

Caracas EL UNIVERSAL in Spanish 1 Jul 83 p 1-20

[Text] The National Armed Forces (FAN) guarantee to the country the development of the electoral process that will culminate on 4 December 1983, Maj Gen Oswaldo Plazola Gilly, that organization's new inspector general, said here.

The senior officer made this statement in the offices of the Ministry of Defense during the function assigning the commands of the various directorates of that ministry, including the directorate of military justice.

After assuming his functions as inspector general of the National Armed Forces, Plazola made a speech in which he stressed that "the civic forces which take part in the electoral contest can have confidence in that the 'Republic V Plan' will guarantee the normal evolution and active presence of the voters at the elections as well as honesty in the handling of the ballots and corresponding matters."

The Joint Chiefs of Staff, he added, has been zealous in the formulation of provisions regulating this national event that will allow the Venezuelan people to exercise their right to vote within the framework of major guarantees of impartiality and order.

For that purpose, Plazola indicated, all the coordination among the various entities that make up the government has been arranged and in effect 17 military zones have been created covering Venezuelan territory for the purpose of the elections.

He explained that each of these zones will be headed by a general or an admiral and that these will have to oversee the electoral process as their principal mission.

Plazola also said that "the duly indoctrinated and trained military units will be involved in the functions of surveillance, control, security, and order which must attend the elections."

In this respect he finally emphasized that "the National Armed Forces guarantee to the country the development of the electoral process that will culminate on 4 December 1983 when the Venezuelan people choose the lawful officials who will govern the nation's destinies in the next 5 years."

The outgoing inspector general of the armed forces, Vice Adm Julio Cesar Fernandez Fossi, also spoke after thanking his civilian and military guides who had directed his first steps in his professional duties and to whom he had promised to fulfill his charge "with the highest spirit of service in a military career."

On his part, the new head of the Joint Chiefs of Staff, Maj Gen Alfredo de Jesus Quintana Romero, expressed his wish to form an effective working team, indispensable to carry out its entrusted mission, for which reason he sought the cooperation of professionals in the armed forces and civilian employees of the institution.

The balance of the executive of the Ministry of Defense was made up of Maj Gens Jose Humberto Vivas, director general of administration; Simon Paredes Alamo, sectoral director general of services; Silvio Mibelli Acuna, special director general of administration; Jose Antonio Quijada Sanchez, sectoral director general of military intelligence; Diego Jose Sanchez Acosta, sectoral director general of planning and budgeting; Daniel de Jesus Palacios, director of the military justice bureau; and Jose Maria Troconia Peraza, director of the secretariat.

The function of handing over the commands was chaired by the minister of national defense, Maj Gen Vicente Luis Narvaez Churion, who was accompanied by the Joint Chiefs of Staff and distinguished personalities.

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BRIEFS

NEW NAVY GENERAL COMMANDER--Rear Adm Haroldo Rodriguez Figueroa, who will assume overall command of the Venezuelan Navy tomorrow at a ceremony at the Naval School in Mamo, was received at La Casona by President Luis Herrera Campins to review the initial changes in the Navy's high command. "I also came because the president wished to speak to me about the general lines which the Navy command should follow," the rear admiral said. Rear Adm Haroldo Rodriguez Figueroa added that he felt very proud about this appointment. "The major aspirations at the outset of a career, when one sees that an officer of admiral rank is the general commander, is to climb the various rungs until one assumes the top position in the Navy," he noted. The new Navy commander will replace Vice Adm Bertorelli Moreno, who is retiring on completing 30 years of service in the National Armed Forces. Rear Adm Rodriguez Figueroa was born in Maracay on 12 February 1934. He graduated from the Naval Academy on 5 July 1955. He is married to Marisa Urdaneta de Rodriguez, and has five children of whom three are girls and two are boys. [Text] [Caracas EL UNIVERSAL in Spanish 28 Jun 83 p 1-20] 2662

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August 30, 1983